

2009

Missouri

Legal Malpractice Insurance Report

Statistics Section
July 2010



DIFP

Jeremiah W. (Jay) Nixon
Governor

Department of Insurance,
Financial Institutions &
Professional Registration

John M. Huff
Director

**MISSOURI
LEGAL
MALPRACTICE
INSURANCE
REPORT
2009**

**Department of Insurance, Financial Institutions & Professional Registration
Statistics Section
July 2010**

Other Publications Available from the Missouri Department of Insurance, Financial Institutions & Professional Registration

The Department of Insurance, Financial Institutions & Professional Registration publishes the following reports. These reports are available by sending a written request along with \$35 to:

**Department of Insurance, Financial Institutions & Professional Registration
P.O. Box 690
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1. ***Missouri Complaint Index Report***
summary information: <http://www.insurance.mo.gov/reports/complaint/index.htm>
2. ***Missouri Department of Insurance Annual Report***
summary information: http://www.insurance.mo.gov/aboutMDI/annual_report.htm
3. ***Missouri Life, Accident & Health Supplement Data***
summary information: <http://www.insurance.mo.gov/reports/suppdata.htm>
4. ***Missouri Market Share Report***
summary information: <http://www.insurance.mo.gov/reports/mktshr.htm>
5. ***Missouri Medical Malpractice (Closed Claim) Report***
summary information: <http://www.insurance.mo.gov/reports/medmal/index.htm>
6. ***Missouri Product Liability (Closed Claim) Report***
summary information: <http://www.insurance.mo.gov/reports/prodliab/index.htm>
7. ***Missouri Property & Casualty Supplement Report***
summary information: <http://www.insurance.mo.gov/reports/suppdata.htm>
8. ***Missouri Real Estate Malpractice (Closed Claim) Report***
summary information: <http://www.insurance.mo.gov/reports/remal/index.htm>
9. ***Mortgage Guaranty Report***
summary information: <http://www.insurance.mo.gov/reports/mortguar/index.htm>
10. ***Private Passenger Automobile Report***
summary information <http://www.insurance.mo.gov/reports/ppauto.pdf>
11. ***Missouri Health Maintenance Organization Report***
summary information: <http://www.insurance.mo.gov/reports/hmo/index.htm>

Databases: For more information: <http://www.insurance.mo.gov/reports/index.htm#aggdata>

1. Medicare Supplement Experience Data
2. Commercial Liability Experience Data
3. Missouri **Zip Code Insurance Data** for:
 - Homeowners/Dwelling Fire,
 - Farmowners (dwelling only),
 - Mobile Home,
 - Earthquake, and
 - Private Passenger Automobile

Some data is available to the public for a fee by special request only. For additional information, contact the **Statistics Section at (573) 751-4126**.

DEFINITION OF TERMS

Indemnity Paid: The sum of all payments made during the year for the benefit of insurance claimants, before reinsurance has been ceded and/or assumed. These payments include amounts paid in the current year for claims arising from coverage in prior years and exclude amounts which will be paid in future years for claims arising from the current year. Hence, this item is not a measure of the actual cost of current coverages, but only of current cash flows.

Loss Adjustment Expenses: The cost involved in an insurance company's adjustment of losses under a policy.

Direct Premiums Written: The dollar amount charged when a policyholder contracts for insurance coverage before reinsurance has been ceded and/or assumed.

Direct Premiums Earned: The part of premium attributable to the coverage already provided in a given period before reinsurance has been ceded and/or assumed.

Direct Losses Incurred: The sum of direct losses paid plus an estimate at the close of the year of the amounts to be paid in the future for all claims arising from the current and all prior years, minus the corresponding estimate made at the close of business for the preceding year. Incurred losses reported include estimated amounts unpaid for incurred-but-not-reported (IBNR) claims.

Loss Ratio: The dollar amount of direct losses incurred divided by the dollar amount of premiums earned for the particular line of business being analyzed, expressed as a percentage. This is an accounting representation of the portion of each premium dollar which is needed to honor a company's promise to pay claims.

LEGAL MALPRACTICE INSURANCE REPORT

EXECUTIVE SUMMARY

This report summarizes the legal malpractice insurance experience in Missouri from 2000 to 2009.

The charts, graphs and tables in this report are limited to closed claim information and were constructed from data collected by the Department of Insurance, Financial Institutions & Professional Registration as required by Section 383.077 RSMo. The premium and loss data, obtained from the Missouri Page 19 Supplement to the companies' annual statements are presented in the final section.

In 2009, the loss ratio for legal malpractice insurance in Missouri was 36 percent. For the 10-year period of claims closed¹, 643 (27 percent) were closed with payment. Claims closed in 2009 totaled 240, a 3.9 percent increase from the previous year. The average payment was \$92,691.

The cost to an insurer for settling legal malpractice cases (called loss adjustment expense, consisting of legal fees, claim adjustment costs and related items) has fluctuated over the past 10 years. In 2009, the average loss adjustment expense for all claims closed with payment was \$25,041 compared to \$75,404 in 2008.

Indemnity amounts are categorized by claim characteristics, including:

- Area of law in which the insured was retained by the claimant.
- Major activity in which the lawyer was engaged at the time the alleged error or omission occurred.
- Alleged error or omission that was the most significant reason for making the claim.
- The legal disposition of the claim at the closing date.
- The number of years the insured had been in practice at the time of the alleged error or omission.
- The relationship of the insured to the claimant.

¹ Claims closed may have resulted from incidents in any previous period.

By area of law, the largest share of claims closed in 2009 (68 of 240) was initiated by plaintiffs in *personal injury and property damage cases*. The largest proportion of all claims closed in 2009 and in the past 10 years involved alleged errors or omissions that occurred during the *commencement of the legal action or proceeding*. Of all claims paid during 2009, 34 percent were settled *before filing suit or demanding a hearing* on the alleged malpractice.

Ninety-seven percent of losses in 2009 occurred among attorneys with *more than 10 years of practice*. The insured's relationship to the claimant is partitioned into four subclasses: *free legal service, non-client, member of pre-paid legal plan and client other than free service or prepaid legal plan*. Eighty-four percent of 2009 claims occurred in the category of *client other than free legal service or member of pre-paid legal plan*.

Only 12 companies reported writing legal malpractice insurance in Missouri for 2009. Of these, the Bar Plan Mutual Insurance Company was by far the largest, with over 72 percent of the legal malpractice insurance market in this state.

This report was compiled using information submitted by insurance companies. As a result, the accuracy of this report is dependent upon the correctness of each company's data. Copies of this report will be made available in Braille, large print or on audio cassette upon request. Any questions regarding this report should be addressed to the Statistics Section, Department of Insurance, Financial Institutions & Professional Registration, P.O. Box 690, Jefferson City, MO 65102-0690.

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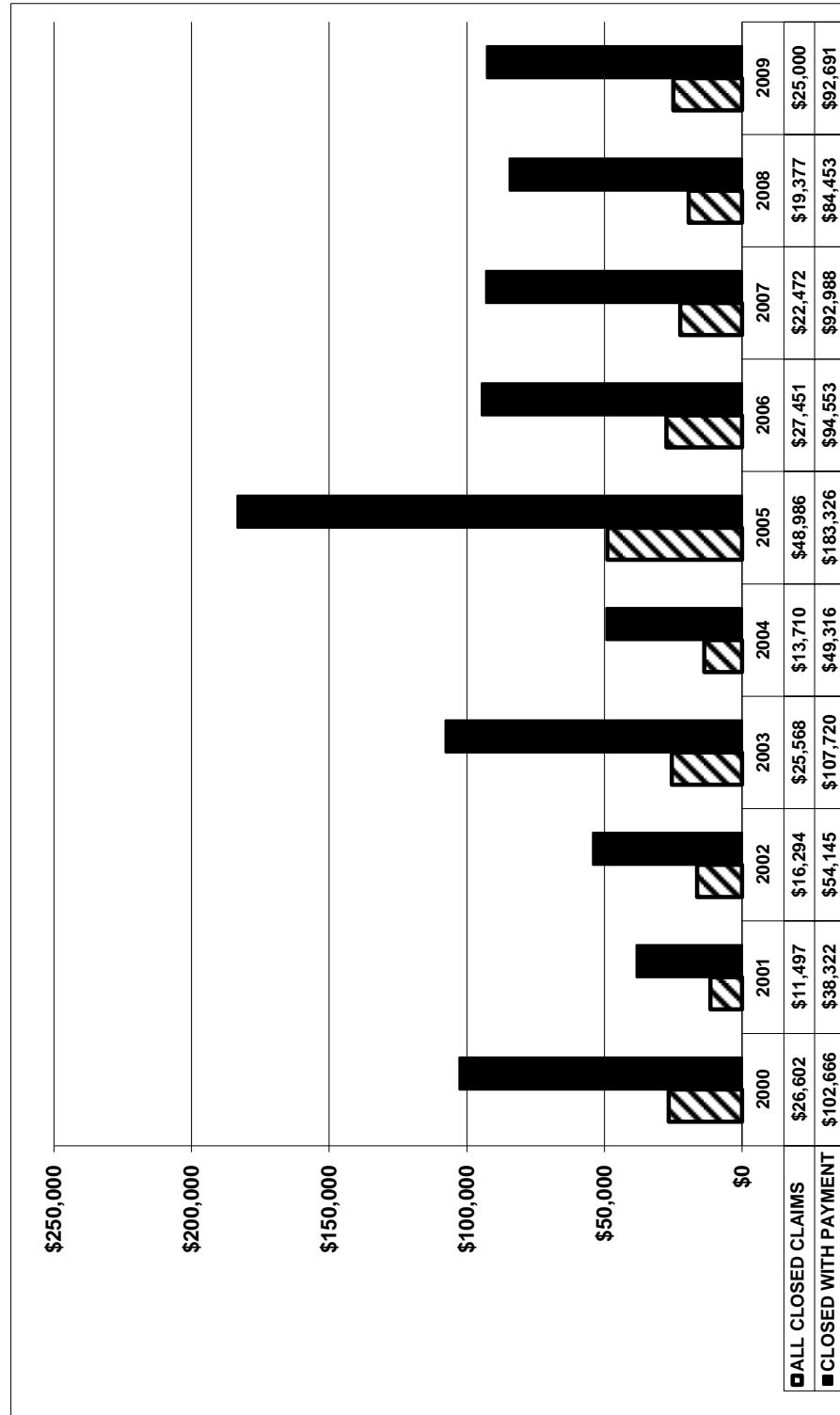
**TEN YEAR
SUMMARY
(2000-2009)**

LEGAL MALPRACTICE EXPERIENCE
TEN YEAR SUMMARY
(2000 – 2009)

	CLOSED CLAIMS	NUMBER OF CLAIMS	PERCENT OF CLAIMS	TOTAL INDEMNITY PAID	AVERAGE INDEMNITY PAID	TOTAL LOSS EXPENSES PAID	AVERAGE LOSS EXPENSE PAID
All Closed Claims	2,384	100.0%	\$59,600,055	\$25,000	\$34,840,323	\$14,614	
Closed with Payment	643	27.0%	\$59,600,055	\$92,691	\$16,101,627	\$25,041	
Closed without Payment	1,741	73.0%	\$0	\$0	\$18,738,696,	\$10,763	
Claims Settled Through Court Proceedings	212	8.9%	\$10,710,846	\$50,523	\$6,435,232	\$30,355	
Court Proceedings Resulting in Payment	33	1.4%	\$10,710,846	\$324,571	\$-1,494,029	\$-45,274	

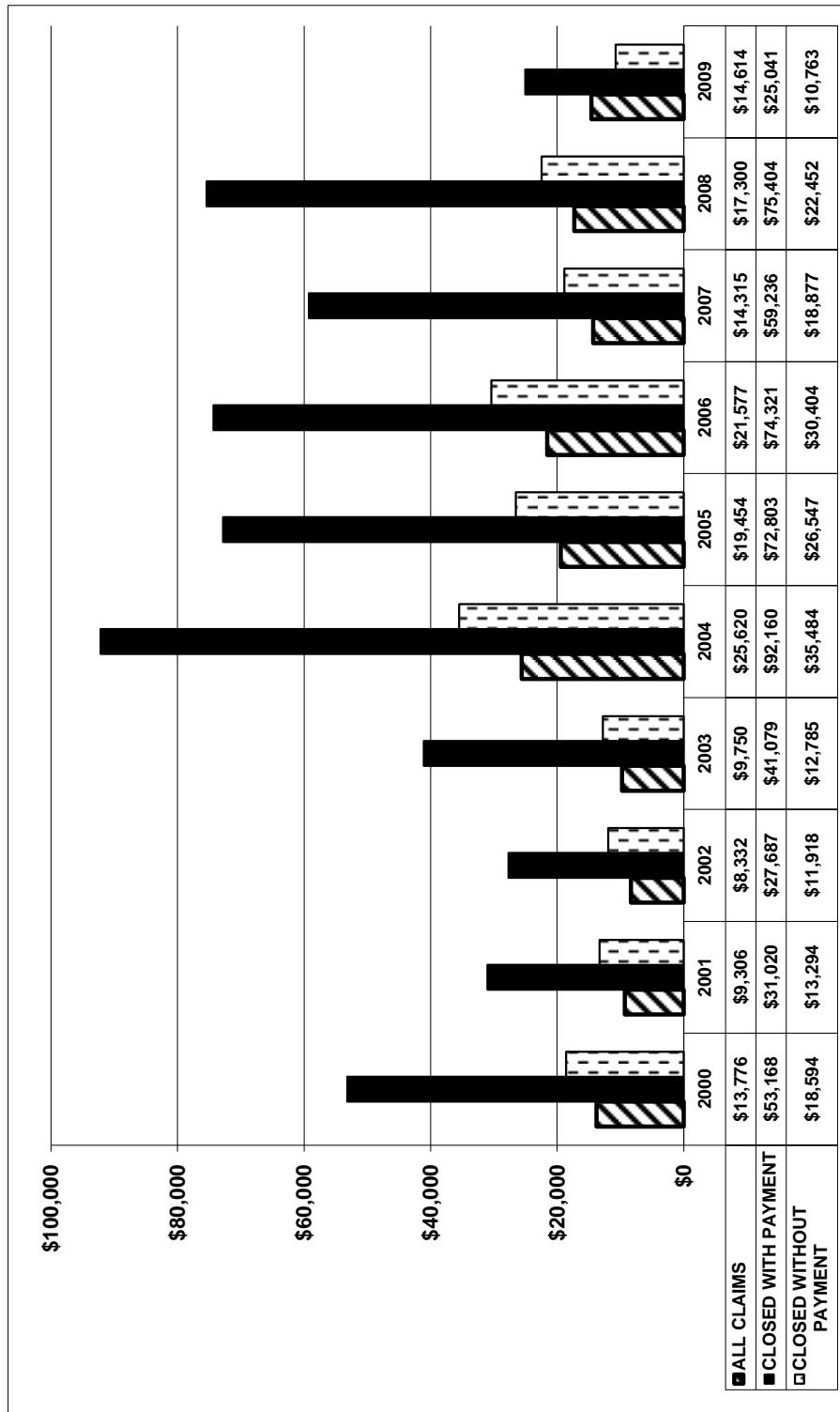
MISSOURI LEGAL MALPRACTICE INSURANCE

AVERAGE PAID CLAIM



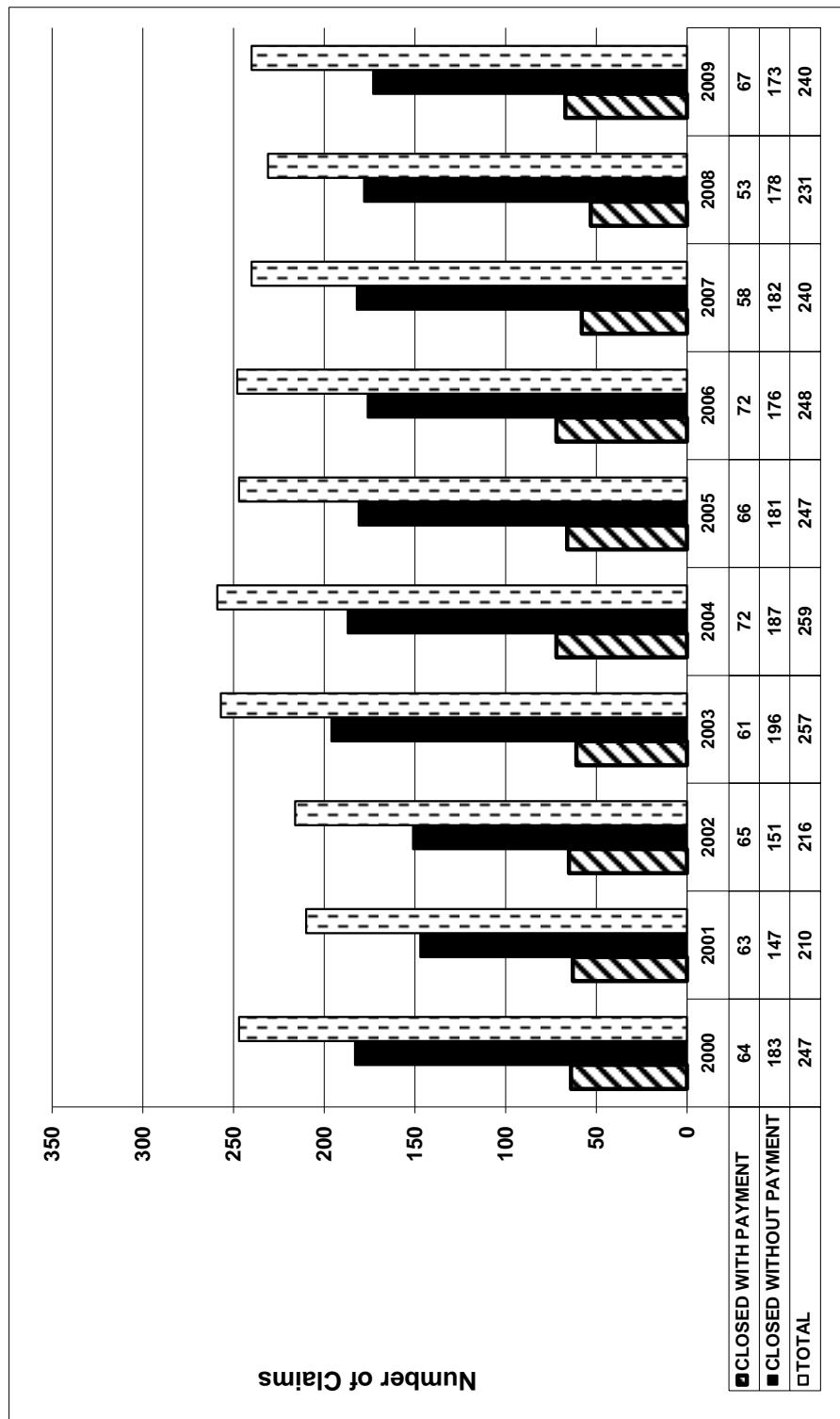
MISSOURI LEGAL MALPRACTICE INSURANCE

AVERAGE PAID LOSS ADJUSTMENT EXPENSE



MISSOURI LEGAL MALPRACTICE INSURANCE

CLAIM COUNT 2000-2009



**TEN YEAR SUMMARY
&
2009 SUMMARY
BY
AREA OF LAW**

LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS FOR YEARS 2000 – 2009

AREA OF LAW	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
BI/PD - PLAINTIFF FAMILY LAW	643	248	38.57%	\$72,218	\$17,909,989	30.05%	\$6,811
COLLECTION & BANKRUPTCY	282	56	8.71%	\$46,198	\$2,587,086	4.34%	\$7,602
ESTATE, TRUST & PROBATE	281	59	9.18%	\$68,164	\$4,021,652	6.75%	\$13,490
REAL ESTATE	272	71	11.04%	\$80,974	\$5,749,141	9.65%	\$14,171
BUSINESS TRANSACTION/COMMERCIAL LAW	184	42	6.53%	\$187,314	\$7,867,184	13.20%	\$13,219
WORKERS COMPENSATION	133	39	6.07%	\$182,835	\$7,130,581	11.96%	\$34,193
BI/PD - DEFENDANT	102	38	5.91%	\$36,574	\$1,389,815	2.33%	\$11,899
CRIMINAL	98	17	2.64%	\$357,035	\$6,069,600	10.18%	\$48,912
CORPORATE & BUSINESS ORGANIZATION	91	12	1.87%	\$42,559	\$510,713	0.86%	\$8,683
CIVIL RIGHTS & COMMISSION LABOR LAW	72	14	2.18%	\$85,760	\$1,200,639	2.01%	\$22,384
CONSUMER CLAIMS	50	9	1.40%	\$35,366	\$318,294	0.53%	\$11,472
LOCAL GOVERNMENT	39	11	1.71%	\$109,276	\$1,202,035	2.02%	\$19,932
TAXATION	33	5	0.78%	\$53,730	\$268,649	0.45%	\$20,355
SECURITIES (S.E.C.)	21	1	0.16%	\$27,500	\$27,500	0.05%	\$10,965
CONSTRUCTION (BUILDING CONTRACTS) PATENTS, TRADEMARKS, COPYRIGHTS	15	3	0.47%	\$104,167	\$312,500	0.52%	\$24,862
IMMIGRATION & NATURALIZATION GOVERNMENT CONTRACTS & CLAIMS	13	2	0.31%	\$202,695	\$405,389	0.68%	\$18,839
ANTITRUST	12	5	0.78%	\$214,423	\$1,072,113	1.80%	\$58,362
ADMIRALTY	12	4	0.62%	\$291,250	\$1,165,000	1.95%	\$109,632
ENVIRONMENT	11	4	0.62%	\$94,008	\$376,030	0.63%	\$23,403
TOTAL	2,384	643	100.00%	\$92,691	\$59,600,055	100.00%	\$14,614

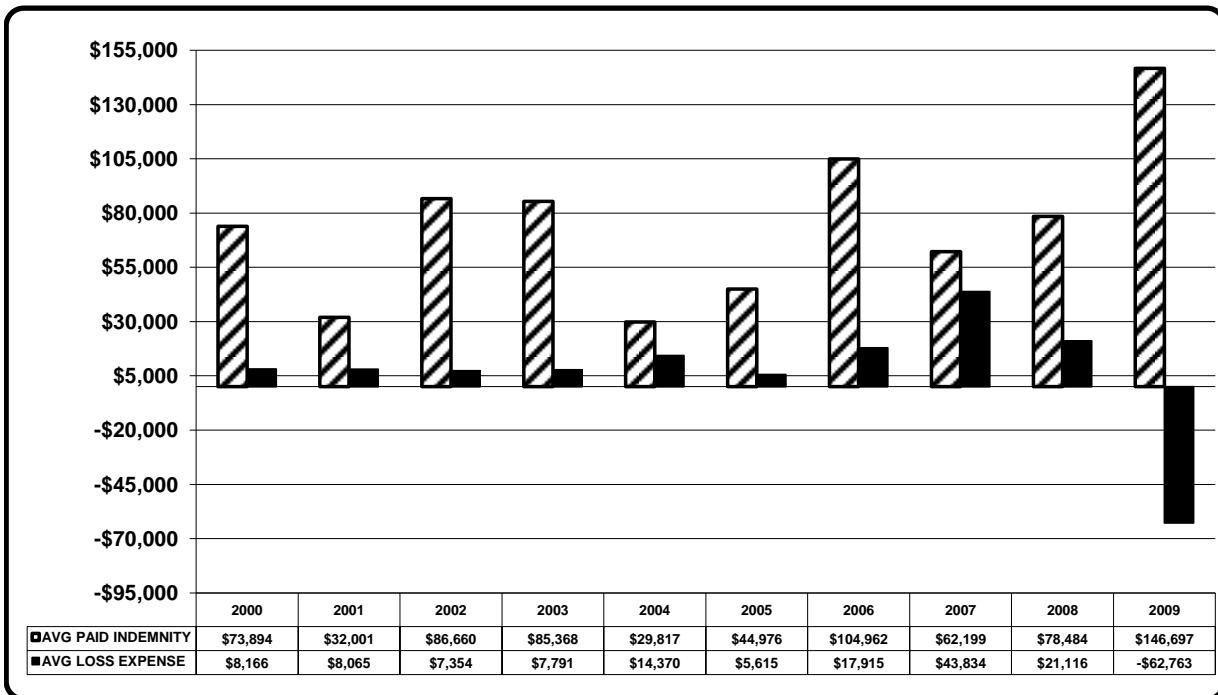
LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS CLAIMS CLOSED IN 2009

AREA OF LAW	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
				INDEMNITY PAID PER PAID CLAIM			
B/YPD - PLAINTIFF	68	25	37.31%	\$146,697	\$3,667,413	46.09%	-\$62,763
REAL ESTATE	30	7	10.45%	\$21,622	\$151,354	1.90%	\$6,148
ESTATE, TRUST & PROBATE	26	8	11.94%	\$123,890	\$91,118	12.46%	\$23,470
COLLECTION & BANKRUPTCY	22	4	5.97%	\$36,254	\$145,016	1.82%	\$9,137
FAMILY LAW	20	1	1.49%	\$18,500	\$18,500	0.23%	\$2,438
WORKERS COMPENSATION	16	7	10.45%	\$19,769	\$138,380	1.74%	\$5,281
BUSINESS TRANSACTION/COMMERCIAL LAW	10	3	4.48%	\$437,344	\$1,312,032	16.49%	\$96,427
B/YPD - DEFENDANT	8	1	1.49%	\$40,000	\$40,000	0.50%	\$11,600
CRIMINAL	7	2	2.99%	\$3,000	\$6,000	0.08%	\$4,850
CONSTRUCTION (BUILDING CONTRACTS)	5	3	4.48%	\$349,635	\$1,048,905	13.18%	\$137,622
CORPORATE & BUSINESS ORGANIZATION	5	1	1.49%	\$45,000	\$45,000	0.57%	\$4,897
CIVIL RIGHTS & COMMISSION	4	2	2.99%	\$40,625	\$81,250	1.02%	\$104
LOCAL GOVERNMENT	4	0	0.00%	N/A	\$0	0.00%	\$6,636
CONSUMER CLAIMS	3	0	0.00%	N/A	\$0	0.00%	\$0
LABOR LAW	3	1	1.49%	\$225,000	\$225,000	2.83%	\$41,721
IMMIGRATION & NATURALIZATION	2	0	0.00%	N/A	\$0	0.00%	\$285
PATENTS, TRADEMARKS, COPYRIGHTS	2	1	1.49%	\$75,000	\$75,000	0.94%	\$1,270
SECURITIES (S.E.C.)	2	0	0.00%	N/A	\$0	0.00%	\$0
TAXATION	2	1	1.49%	\$12,500	\$12,500	0.16%	\$4,951
GOVERNMENT CONTRACTS & CLAIMS	1	0	0.00%	N/A	\$0	0.00%	\$0
TOTAL	240	67	100.00%	\$118,768	\$7,957,468	100.00%	-\$4,876

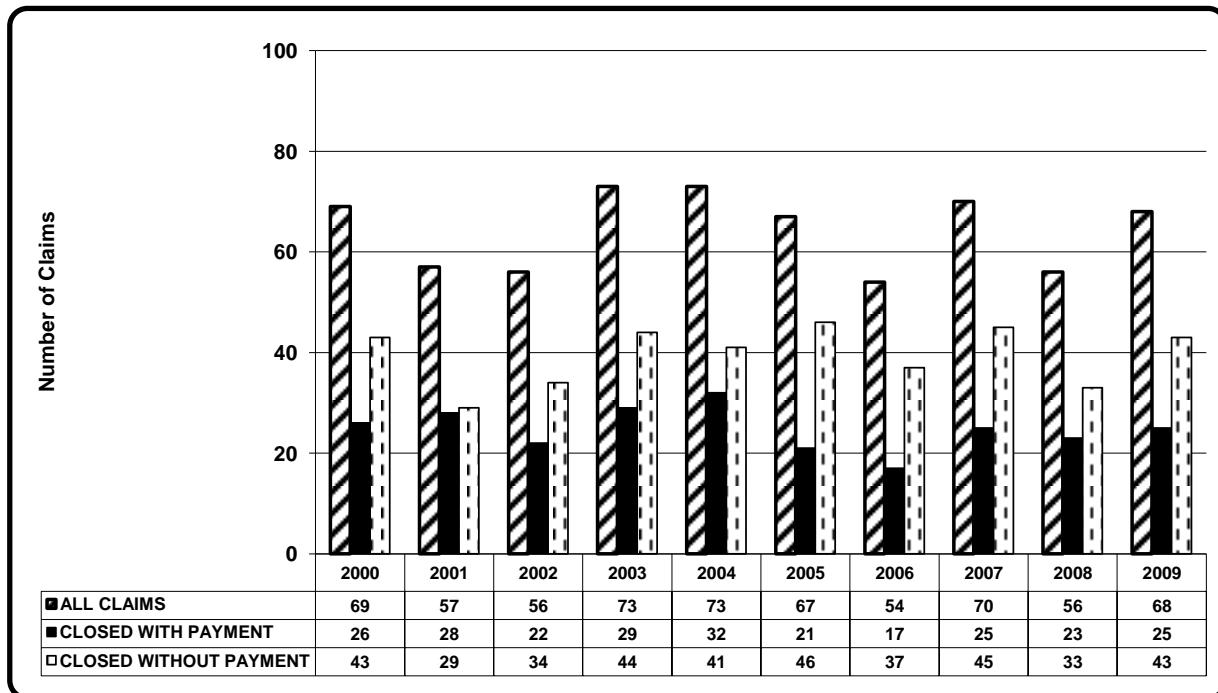
**TRENDS
OF THE TOP TEN
AREAS OF LAW
OF 2009**

PERSONAL INJURY/PROPERTY DAMAGE - PLAINTIFF

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

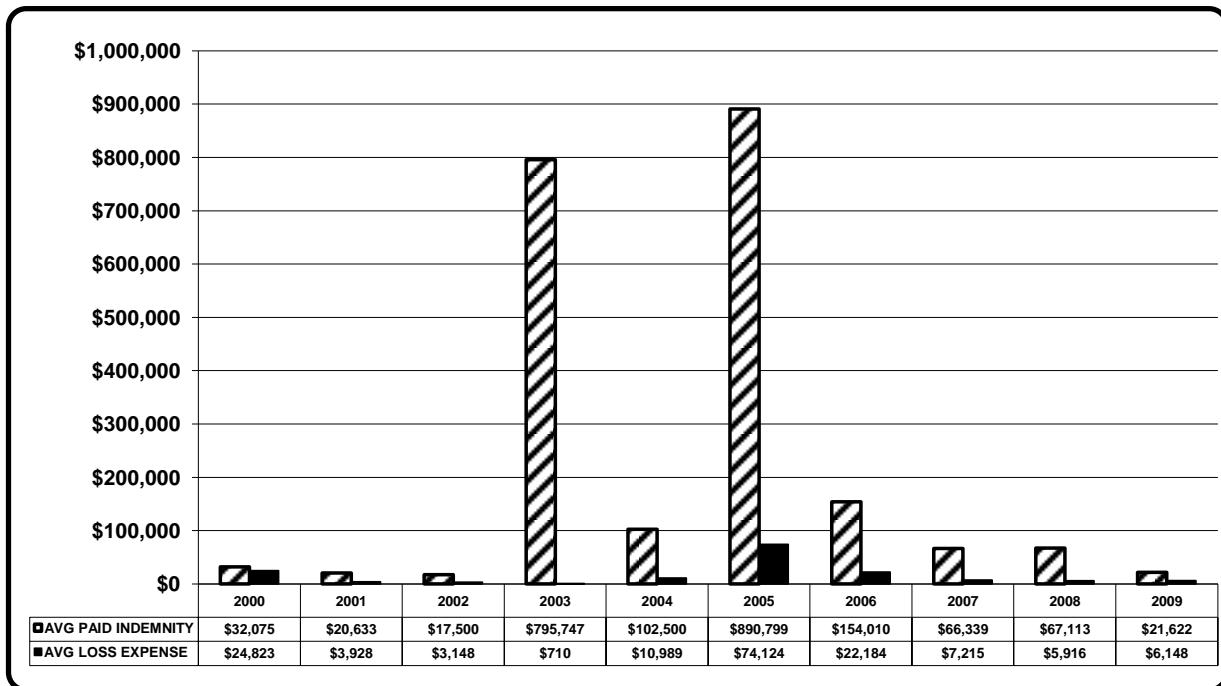


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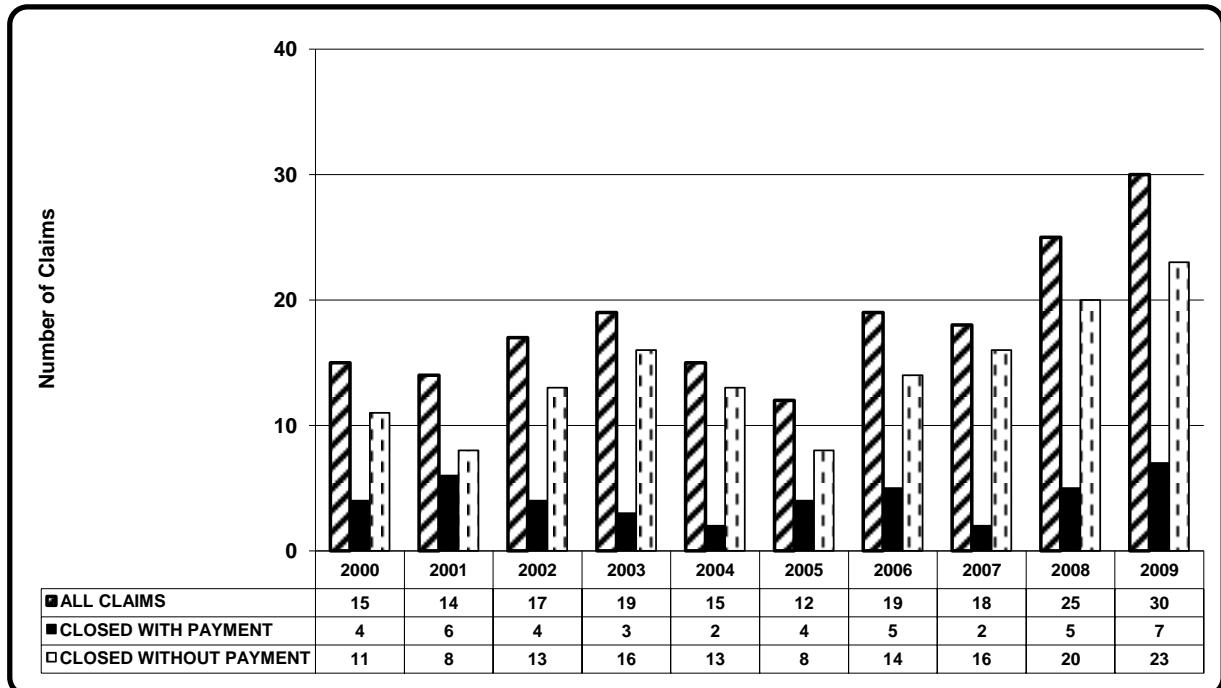


REAL ESTATE

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

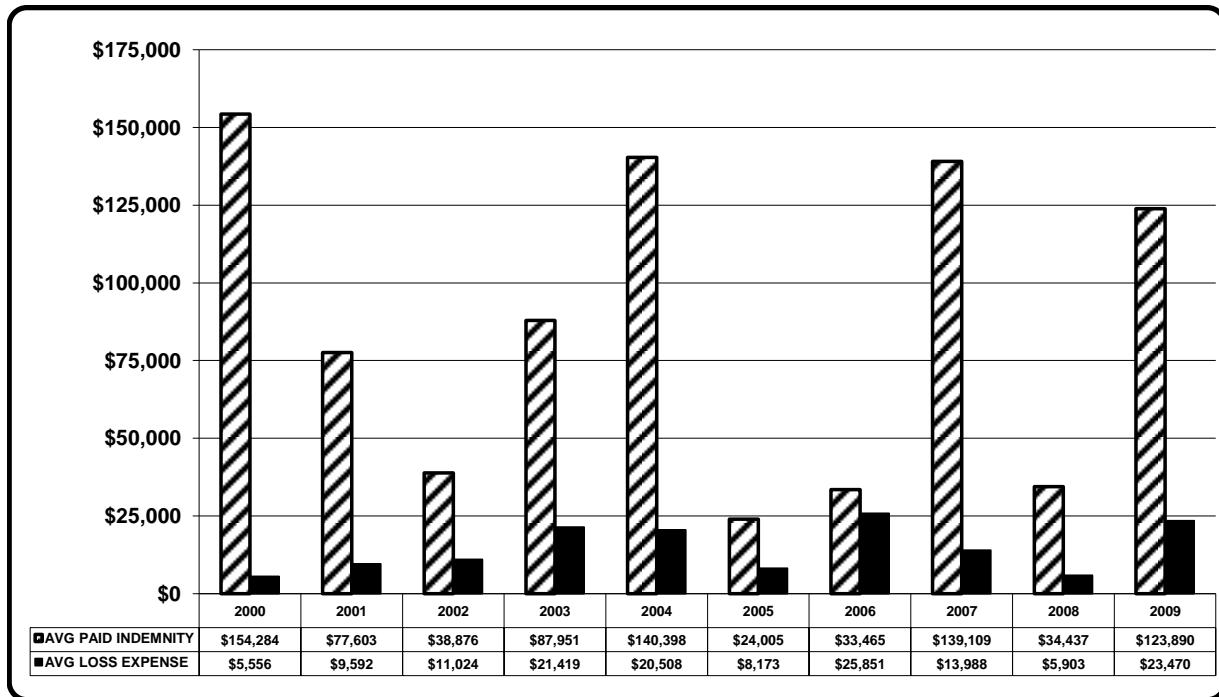


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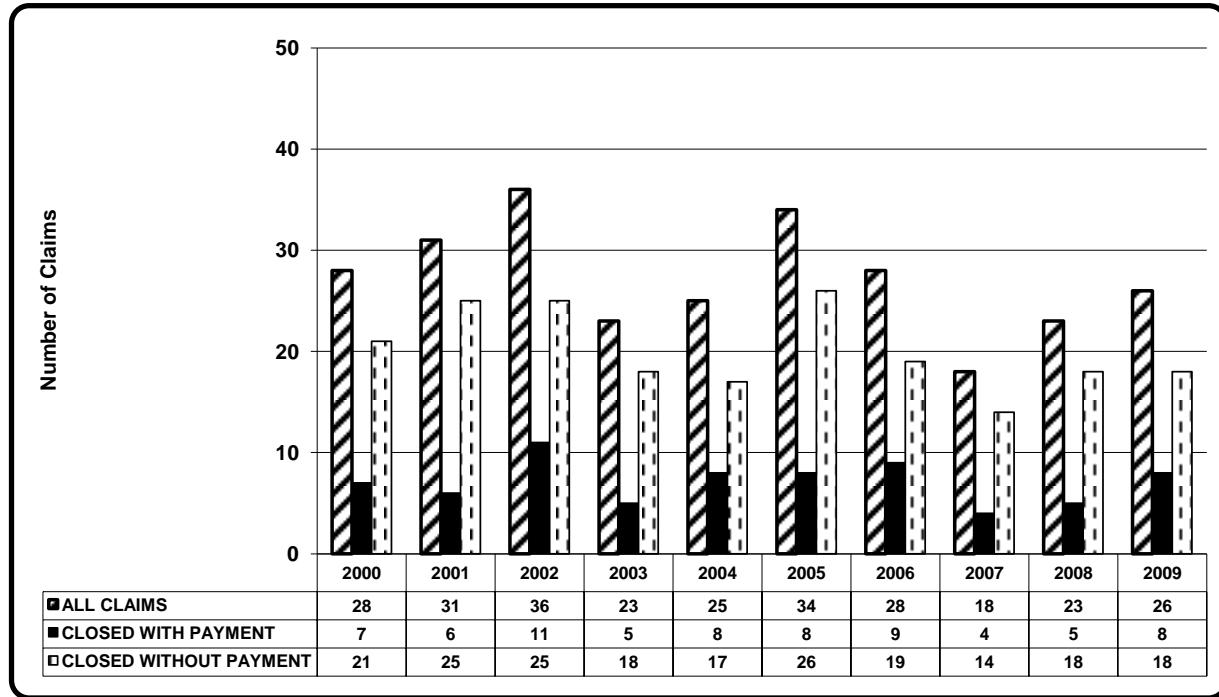


ESTATE, TRUST & PROBATE

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

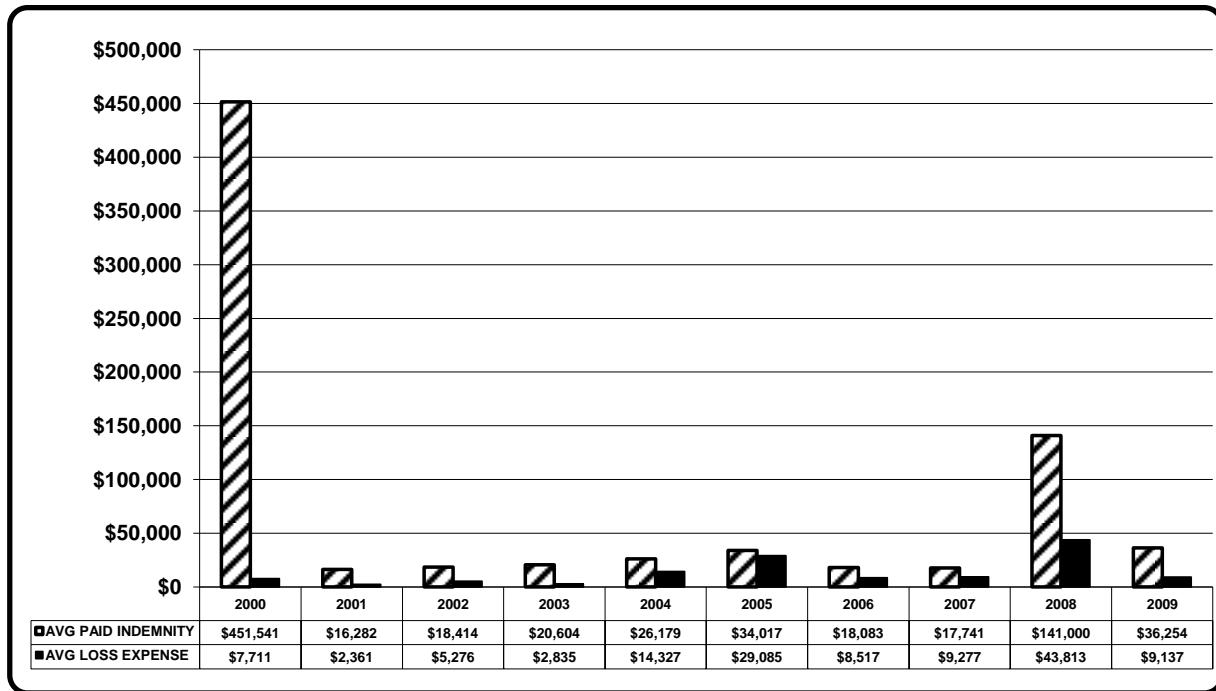


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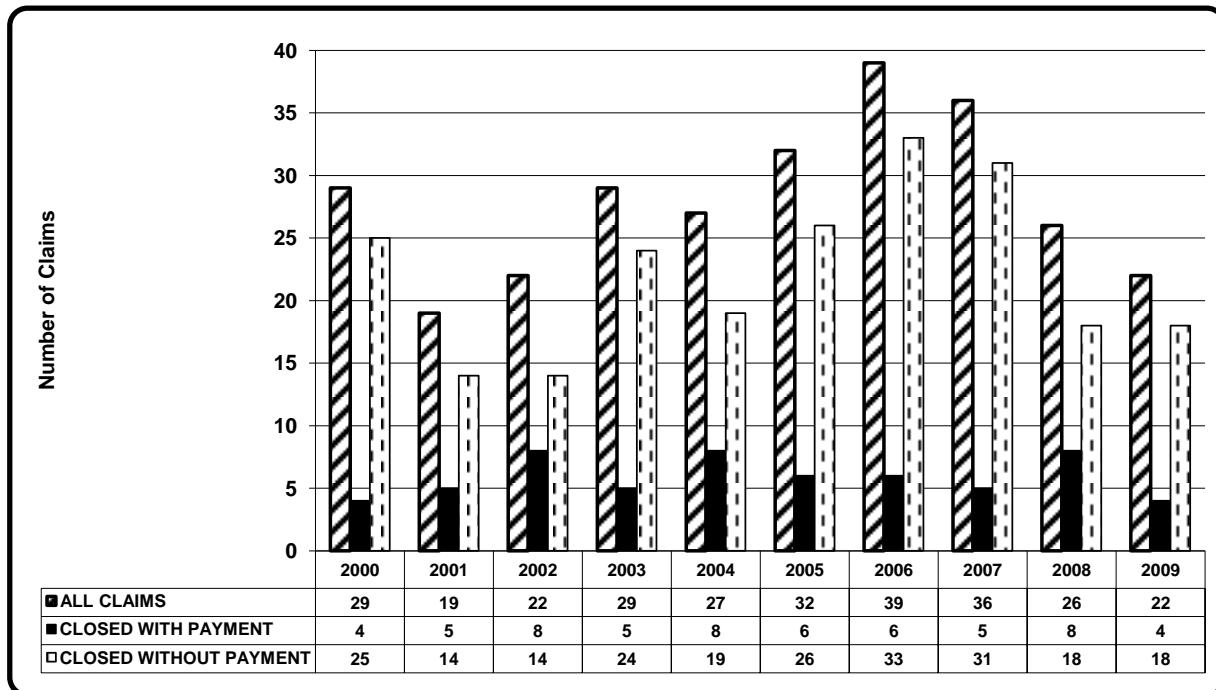


COLLECTION AND BANKRUPTCY

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

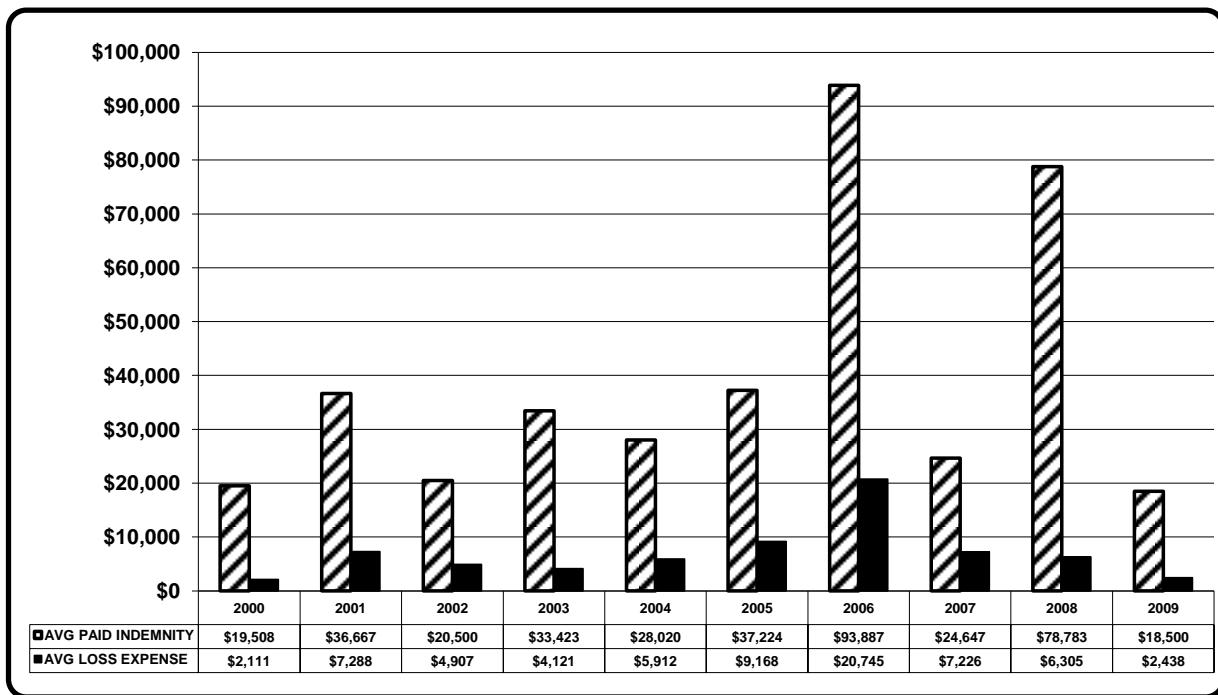


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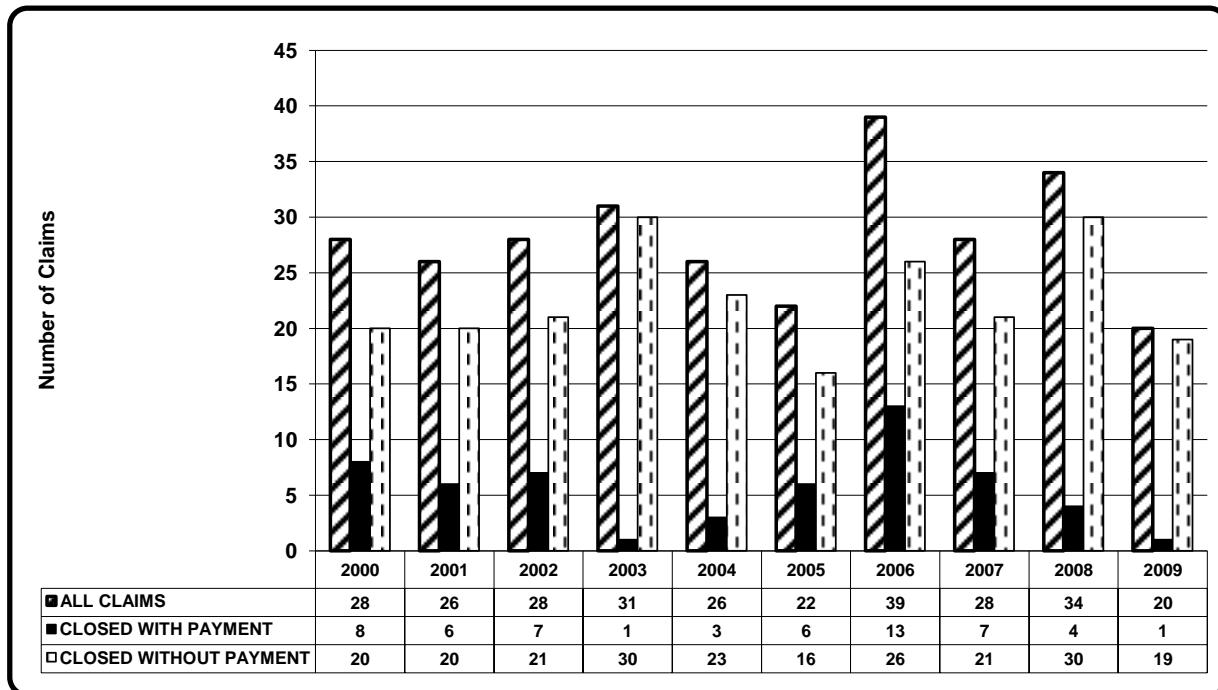


FAMILY LAW

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

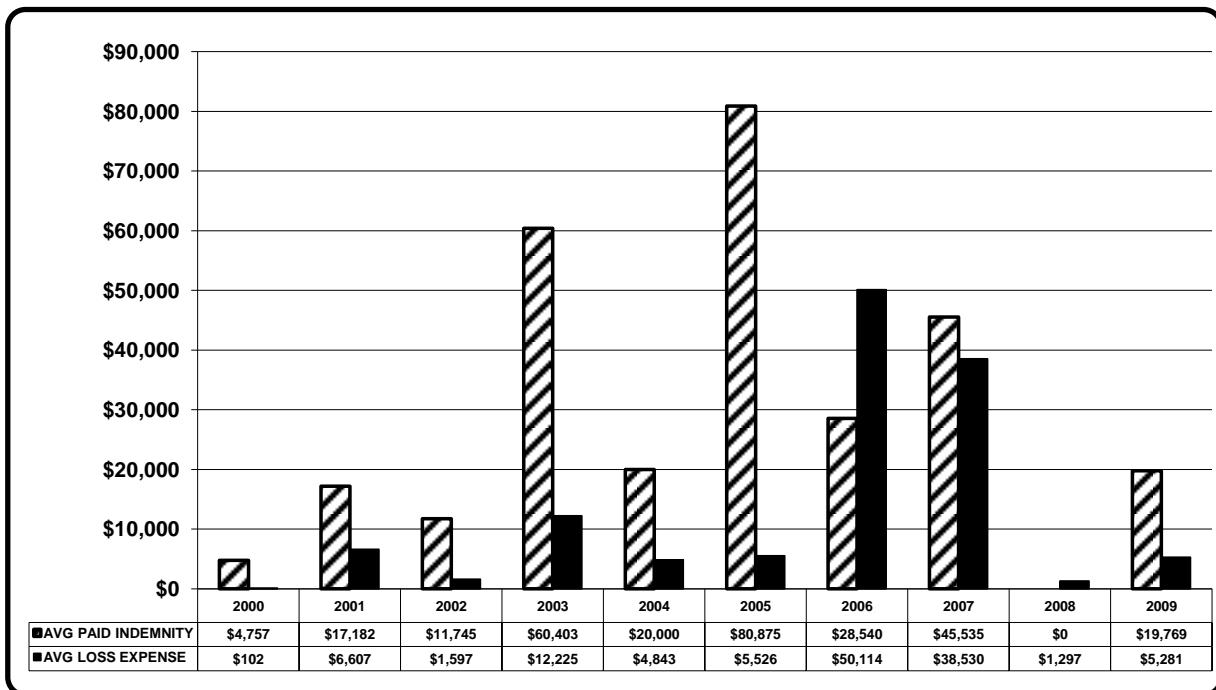


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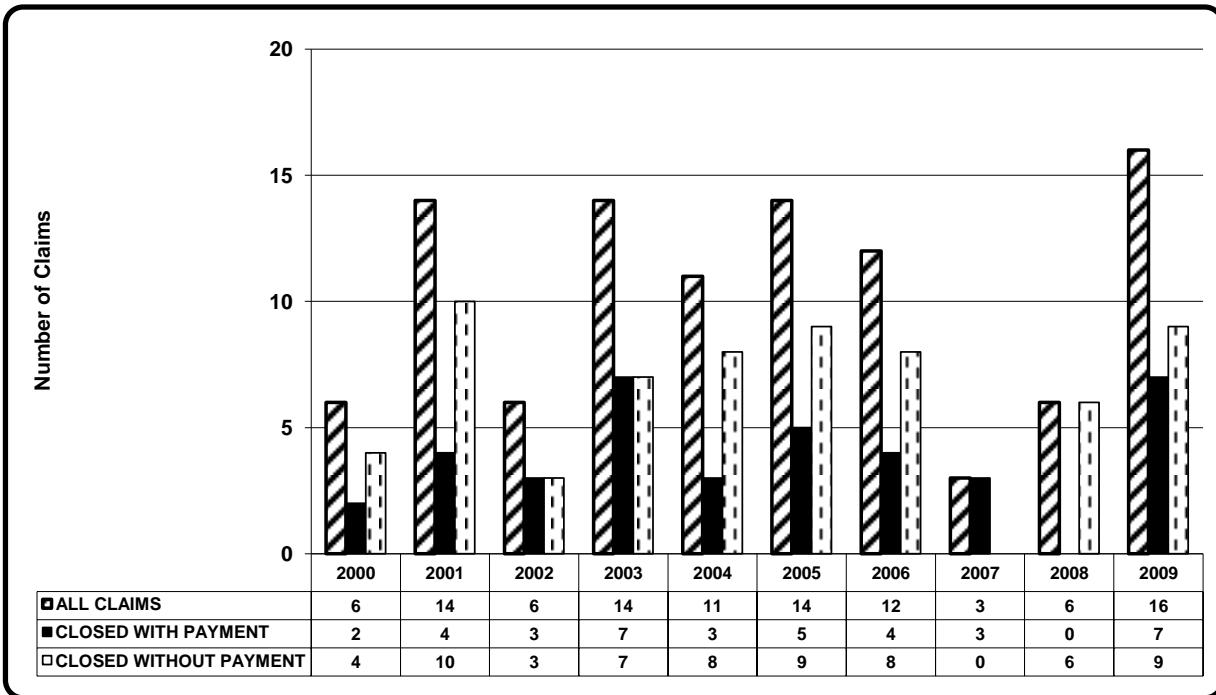


WORKERS' COMPENSATION

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

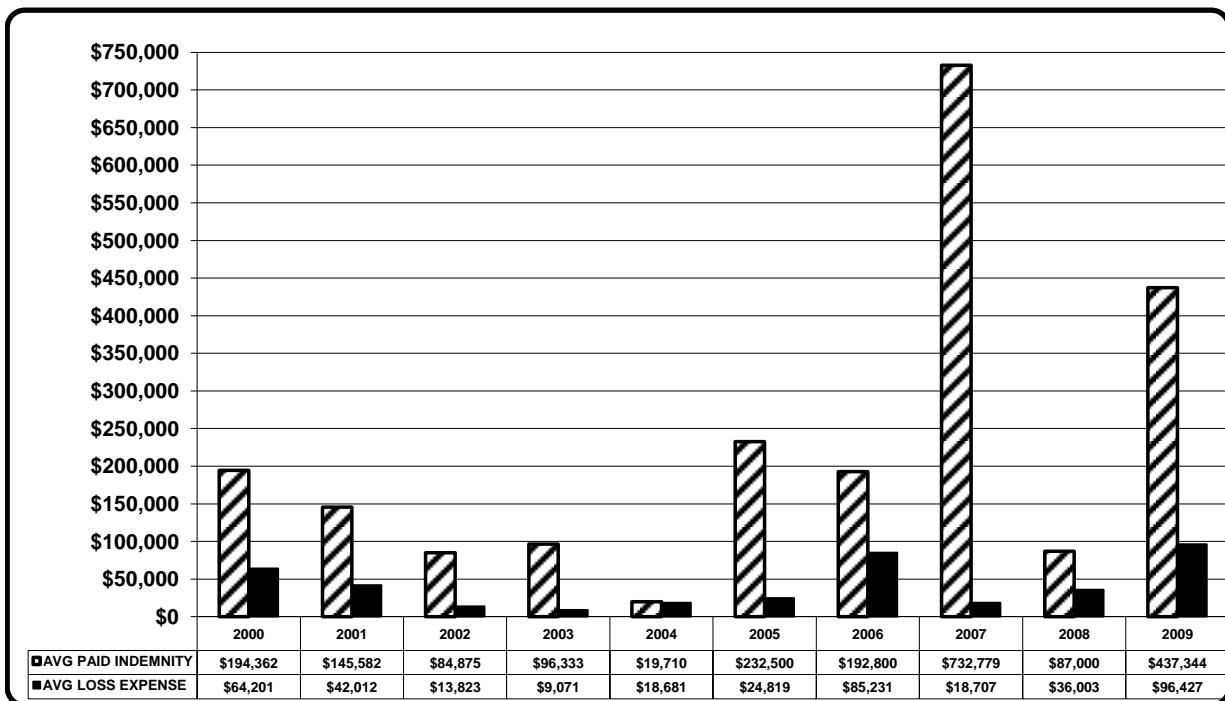


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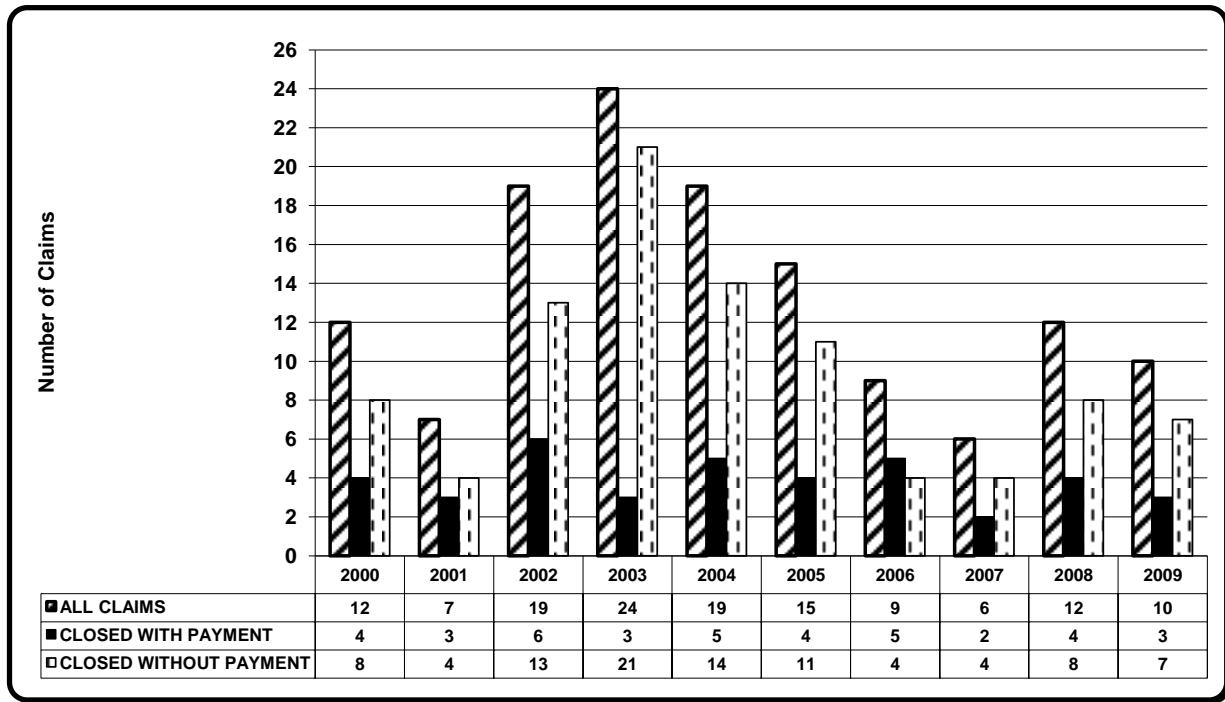


BUSINESS TRANSACTIONS/COMMERCIAL LAW

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

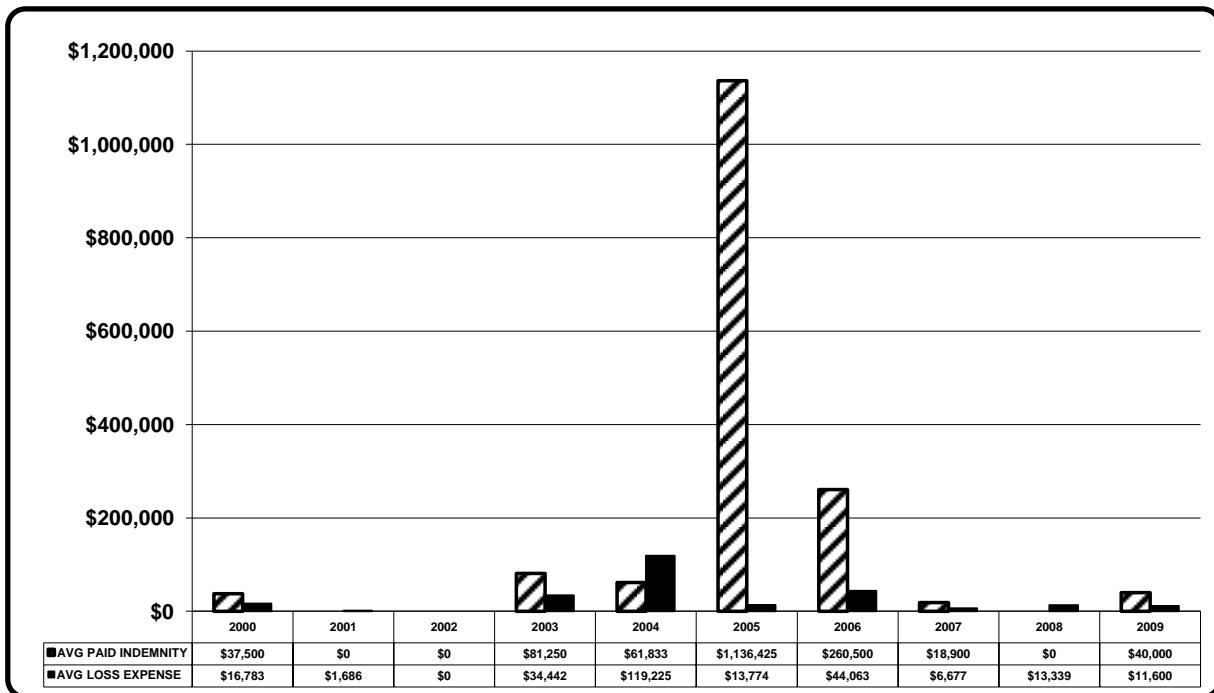


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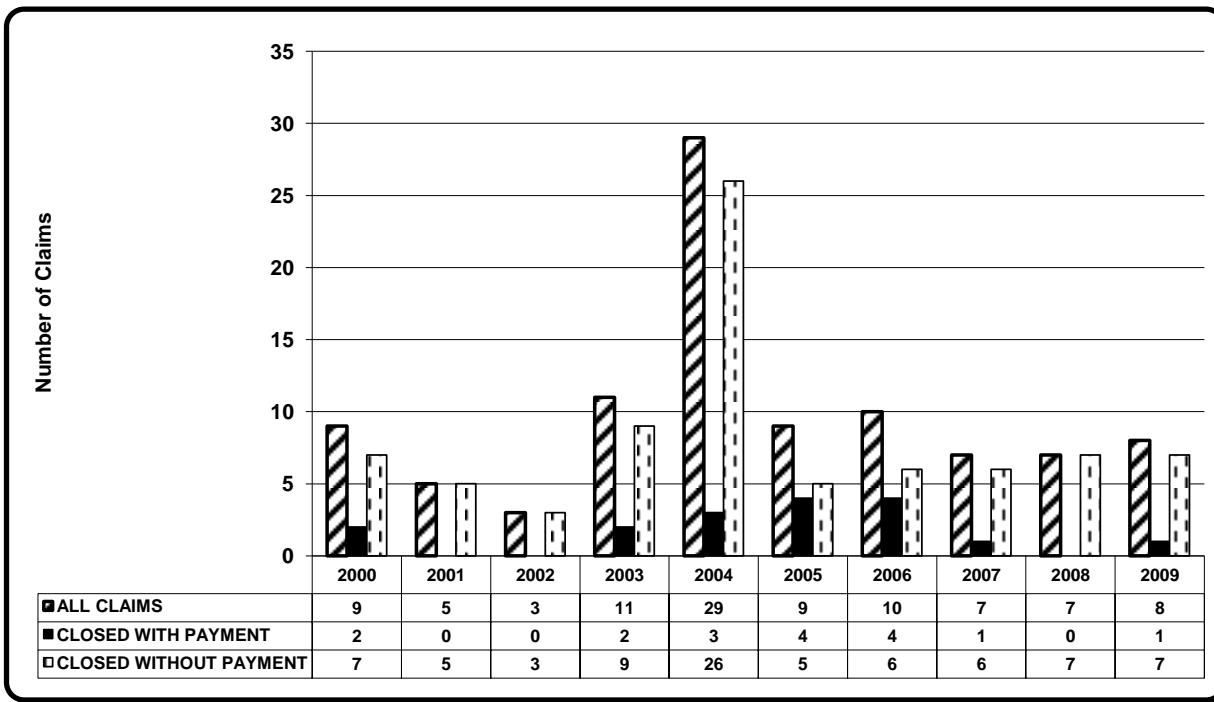


PERSONAL INJURY/PROPERTY DAMAGE - DEFENDANT

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

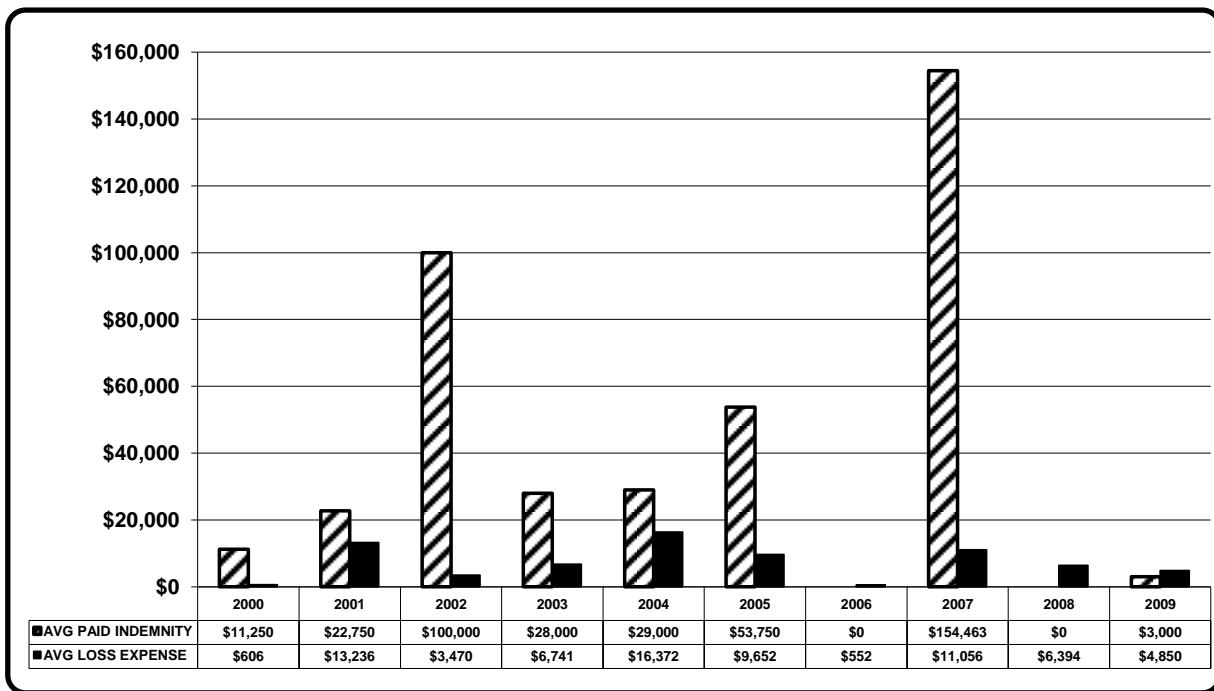


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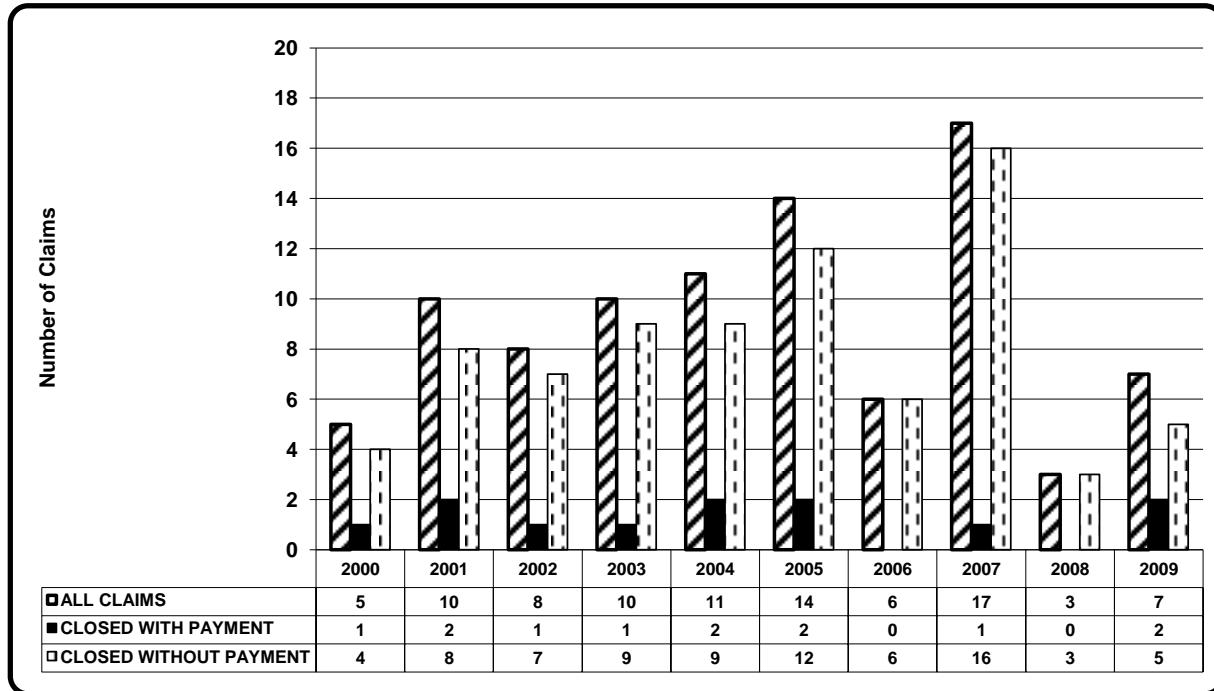


CRIMINAL

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

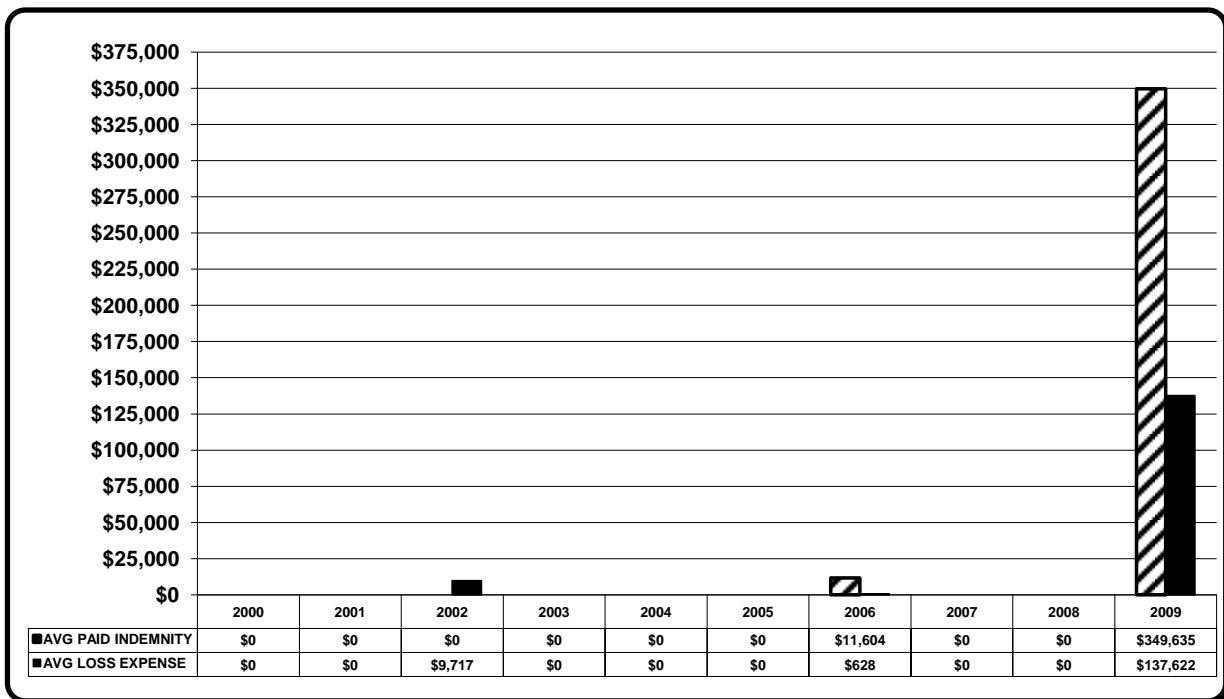


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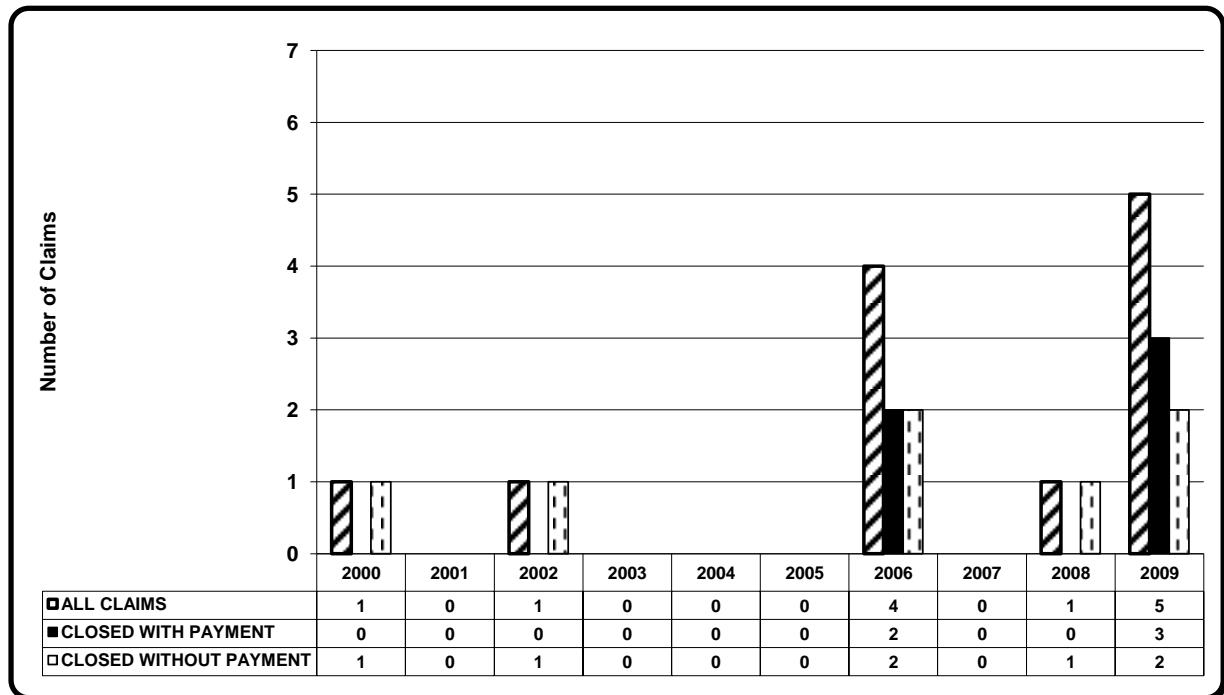


CONSTRUCTION (BUILDING CONTRACTS)

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
2009 SUMMARY
BY
MAJOR ACTIVITY**

**LEGAL MALPRACTICE INSURANCE
INDEMNITY ANALYSIS
FOR YEARS 2000-2009**

MAJOR ACTIVITY CODE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
COMMENCEMENT OF ACTION OR PROCEEDING	655	234	36.39%	\$87,352	\$20,440,403	34.30%	\$3,830
OTHER	326	67	10.42%	\$65,558	\$4,392,363	7.37%	\$14,305
PREPARATION, TRANSMITTAL OR FILING	266	78	12.13%	\$75,127	\$5,859,917	9.83%	\$17,721
SETTLEMENT AND NEGOTIATION	226	52	8.09%	\$73,740	\$3,834,505	6.43%	\$16,442
PRE-TRIAL, PRE-HEARING	221	59	9.18%	\$58,325	\$3,441,199	5.77%	\$11,899
CONSULTATION OR ADVICE	190	44	6.84%	\$293,381	\$12,908,761	21.66%	\$45,481
INVESTIGATION, OTHER THAN LITIGATION	138	41	6.38%	\$52,271	\$2,143,094	3.60%	\$10,798
TRIAL OR HEARING	129	24	3.73%	\$181,521	\$4,356,492	7.31%	\$28,532
POST TRIAL OR HEARING	77	11	1.71%	\$14,766	\$162,430	0.27%	\$4,679
EXPARTE PROCEEDINGS	64	19	2.95%	\$34,192	\$649,651	1.09%	\$14,126
APPEAL ACTIVITIES	57	8	1.24%	\$57,739	\$461,908	0.78%	\$14,906
TAX REPORTING OR PAYMENT	17	3	0.47%	\$119,685	\$359,054	0.60%	\$26,083
REFERRAL TO ANOTHER PROFESSIONAL	10	0	0.00%	N/A	\$0	0.00%	\$11,500
OTHER WRITTEN OPINION	4	1	0.16%	\$574,853	\$574,853	0.96%	\$28,154
TITLE OPINION	4	2	0.31%	\$7,713	\$15,425	0.03%	\$3,002
TOTAL	2,384	643	100.00%	\$92,691	\$59,600,055	100.00%	\$14,614

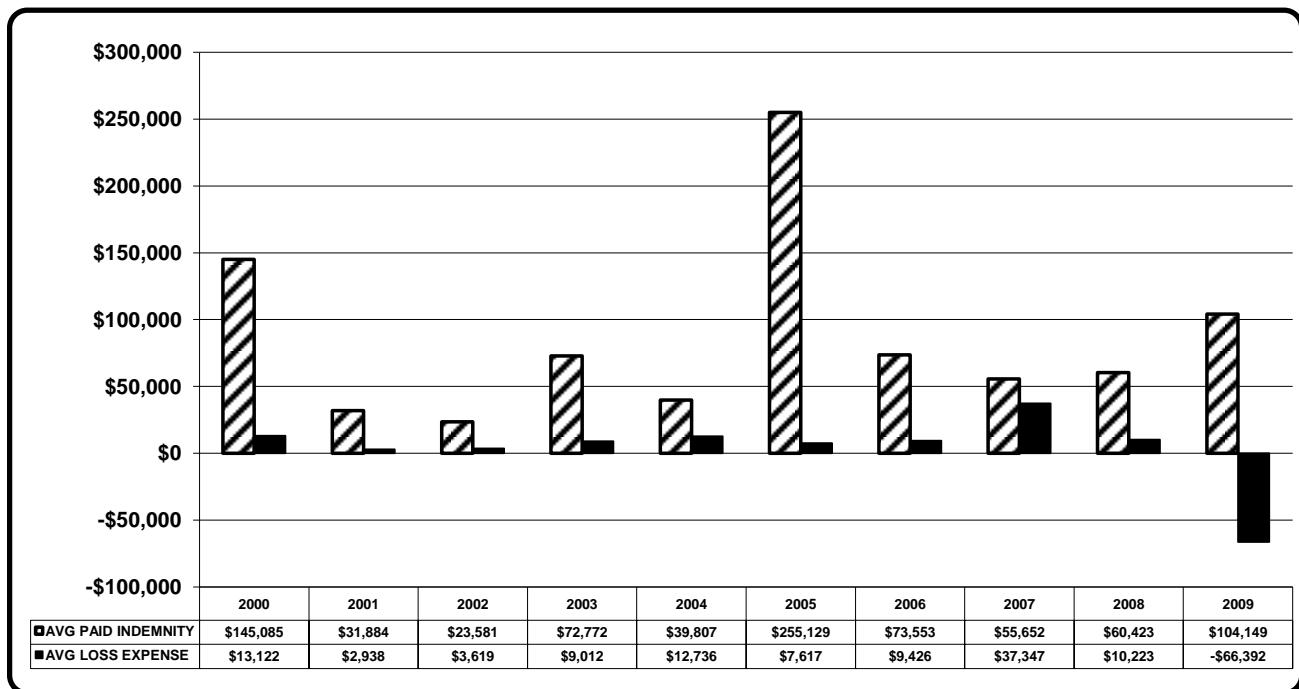
**LEGAL MALPRACTICE INSURANCE
INDEMNITY ANALYSIS
CLAIMS CLOSED IN 2009**

MAJOR ACTIVITY CODE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	TOTAL INDEMNITY PAID PER PAID CLAIM	PERCENT OF TOTAL INDEMNITY	PERCENT OF INDEMNITY FOR ALL CLOSED CLAIMS	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
							AVERAGE INDEMNITY PAID PER PAID CLAIM
COMMENCEMENT OF ACTION OR PROCEEDING	68	26	38.81%	\$104,149	\$2,707,875	34.03%	-\$66,392
OTHER	63	9	13.43%	\$25,923	\$233,308	2.93%	\$2,059
PREPARATION, TRANSMITTAL OR FILING	25	7	10.45%	\$69,686	\$487,803	6.13%	\$19,649
PRE-TRIAL, PRE-HEARING	21	4	5.97%	\$69,500	\$278,000	3.49%	\$15,576
SETTLEMENT AND NEGOTIATION	18	7	10.45%	\$109,143	\$763,998	9.60%	\$23,753
CONSULTATION OR ADVICE	13	5	7.46%	\$263,301	\$1,316,506	16.54%	\$49,295
TRIAL OR HEARING	9	4	5.97%	\$490,606	\$1,962,424	24.66%	\$92,138
APPEAL ACTIVITIES	7	0	0.00%	N/A	\$0	0.00%	\$45,495
INVESTIGATION, OTHER THAN LITIGATION	7	3	4.48%	\$32,833	\$98,500	1.24%	\$11,959
POST TRIAL OR HEARING	4	0	0.00%	N/A	\$0	0.00%	\$10,445
TAX REPORTING OR PAYMENT	3	2	2.99%	\$54,527	\$109,054	1.37%	\$18,270
OTHER WRITTEN OPINION	2	0	0.00%	N/A	\$0	0.00%	\$0
TOTAL	240	67	100.00%	\$118,768	\$7,957,468	100.00%	-\$4,876

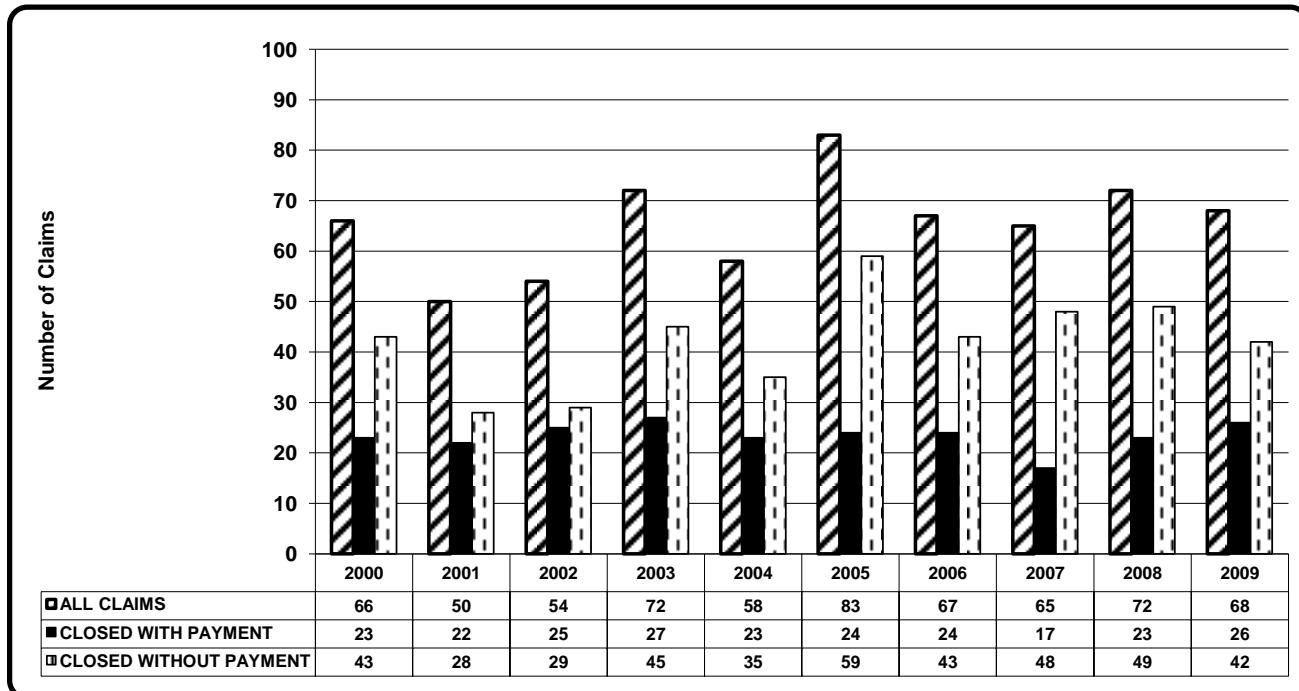
**TRENDS
OF THE TOP TEN
MAJOR ACTIVITY
OF 2009**

COMMENCEMENT OF ACTION OR PROCEEDING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

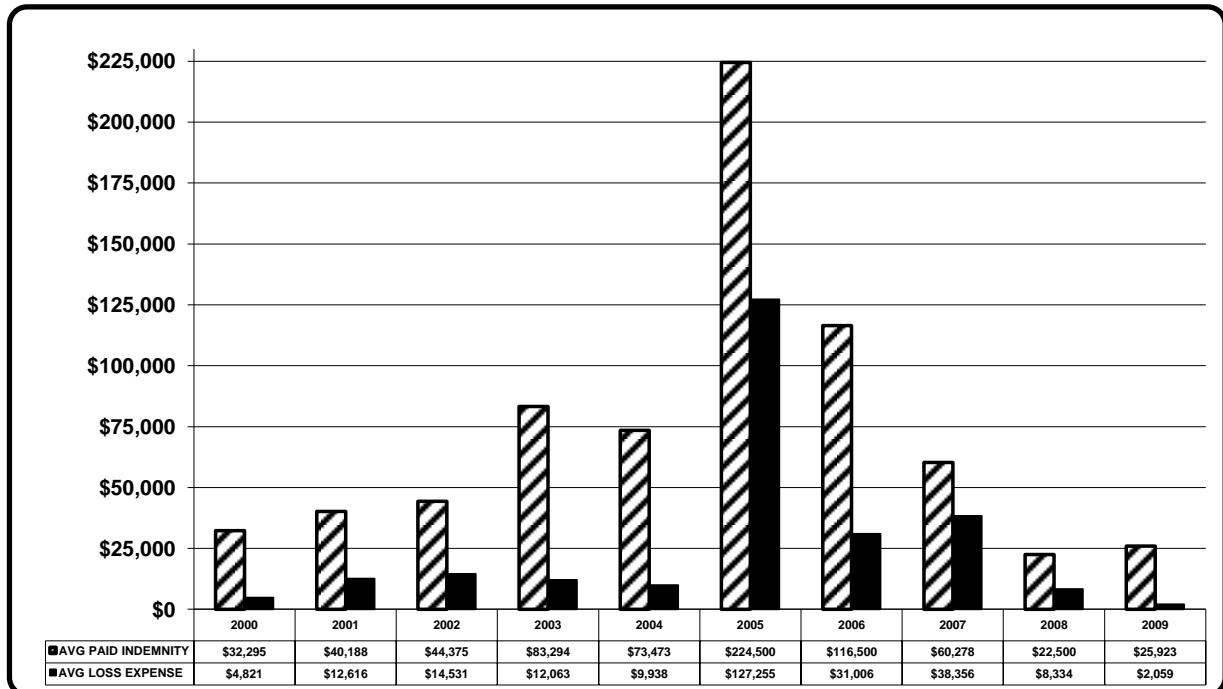


CLAIM COUNT

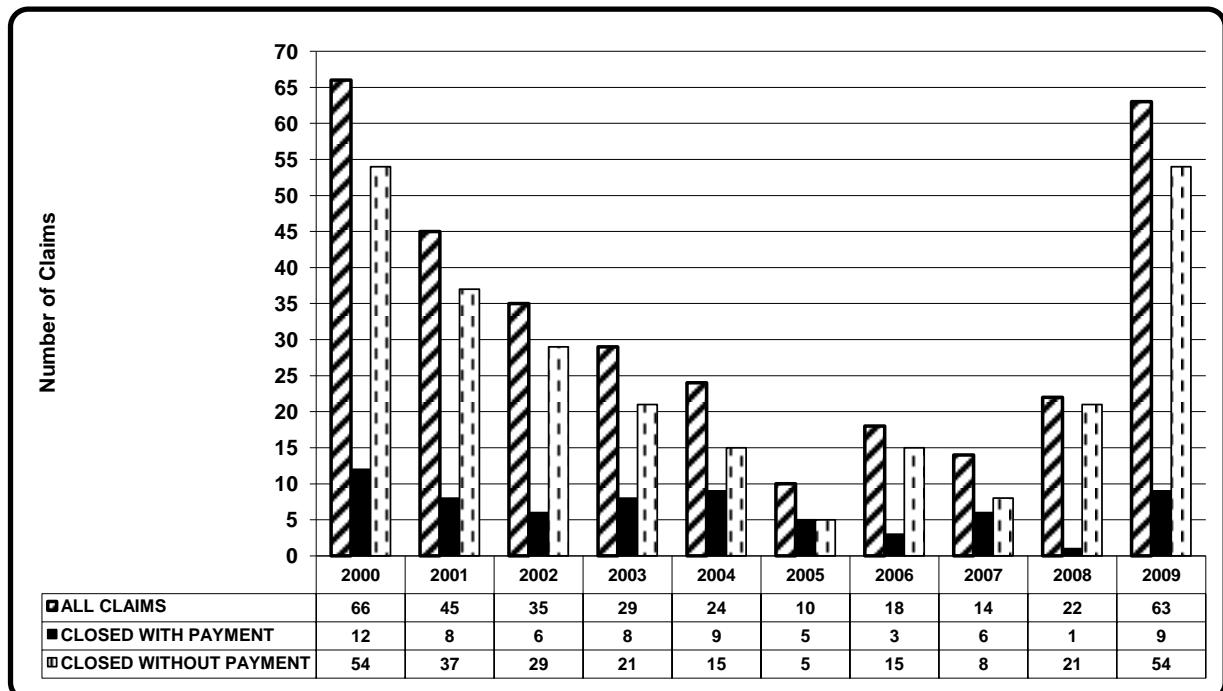


OTHER

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

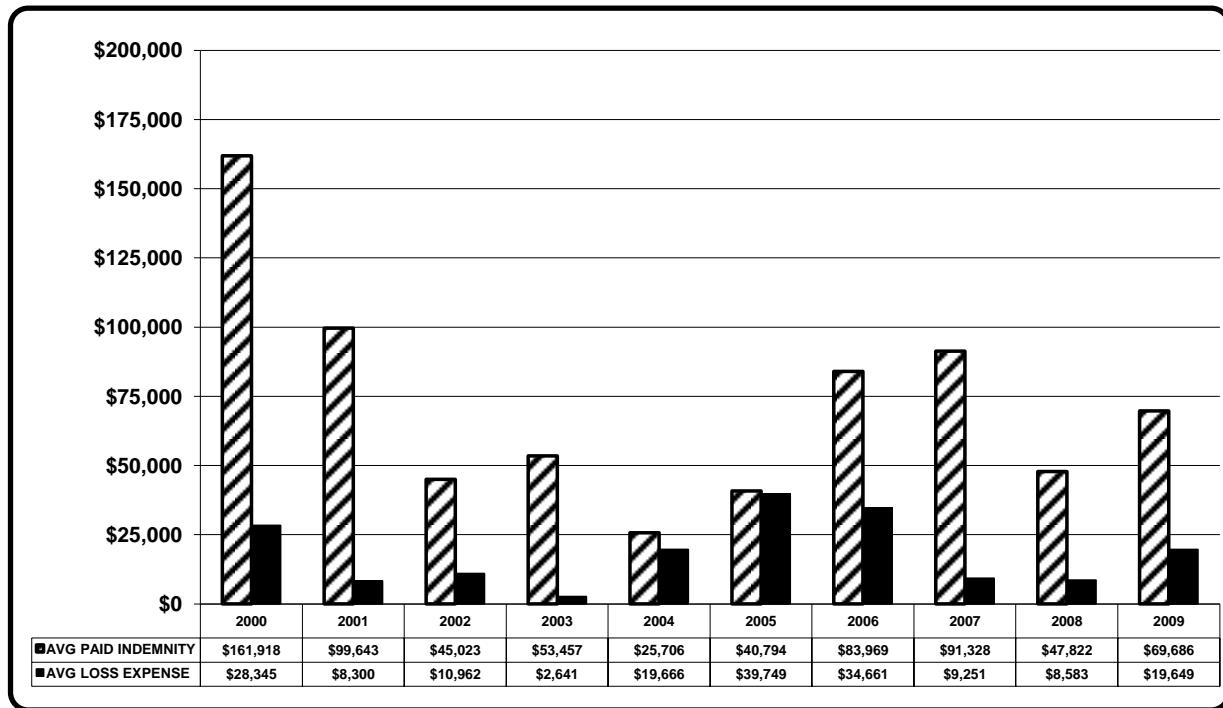


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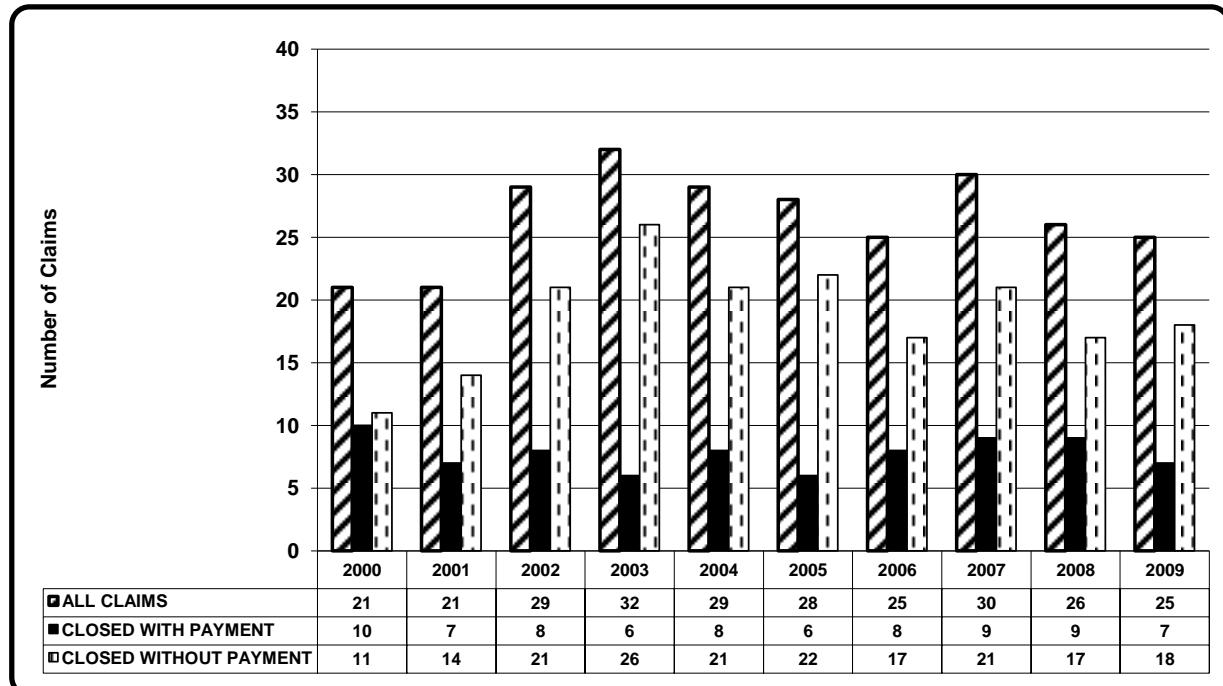


PREPARATION, TRANSMITTAL OR FILING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

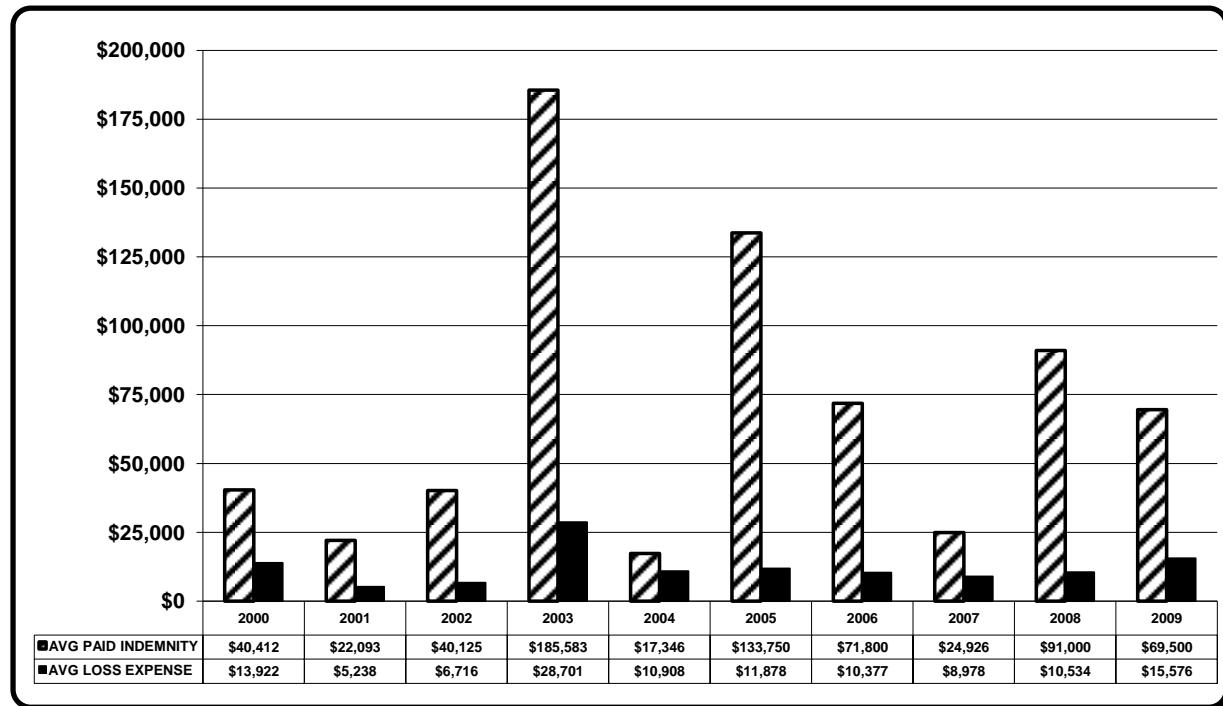


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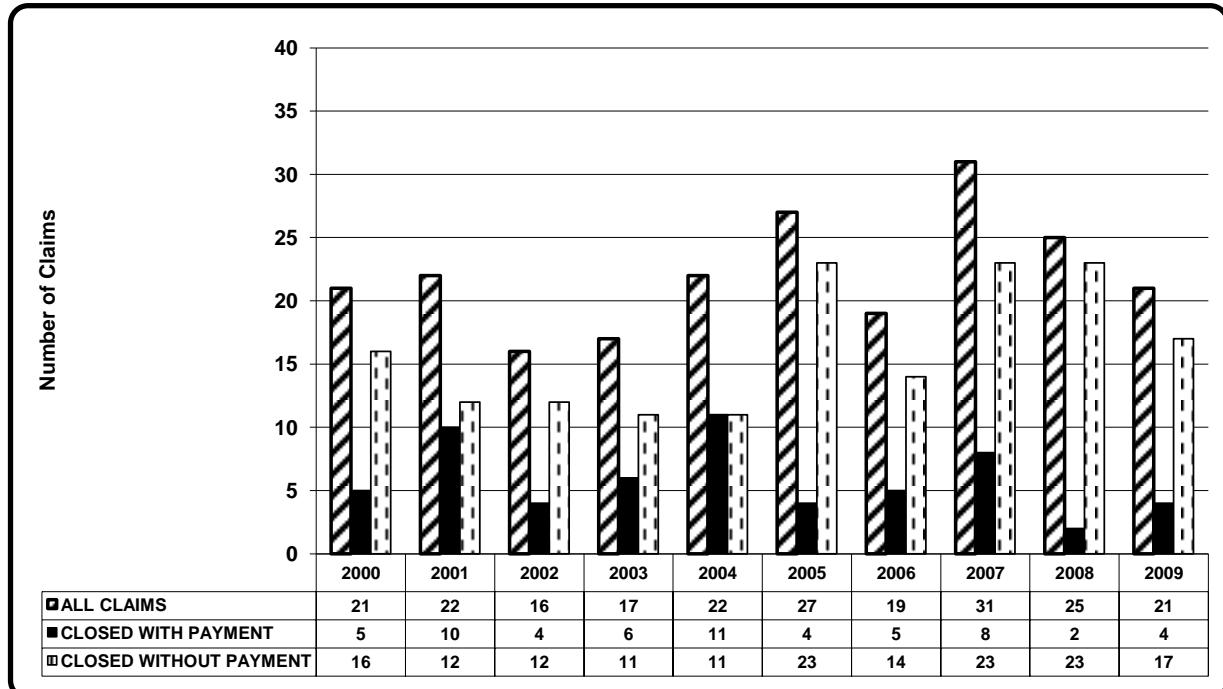


PRE-TRIAL, PRE-HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

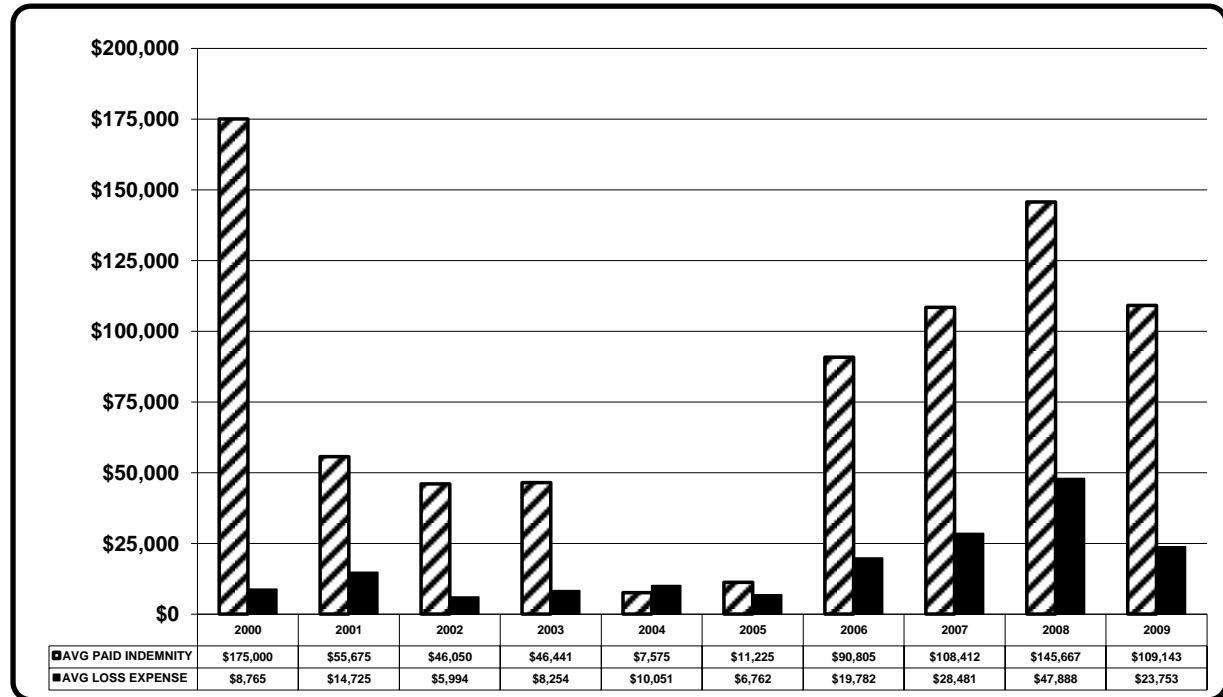


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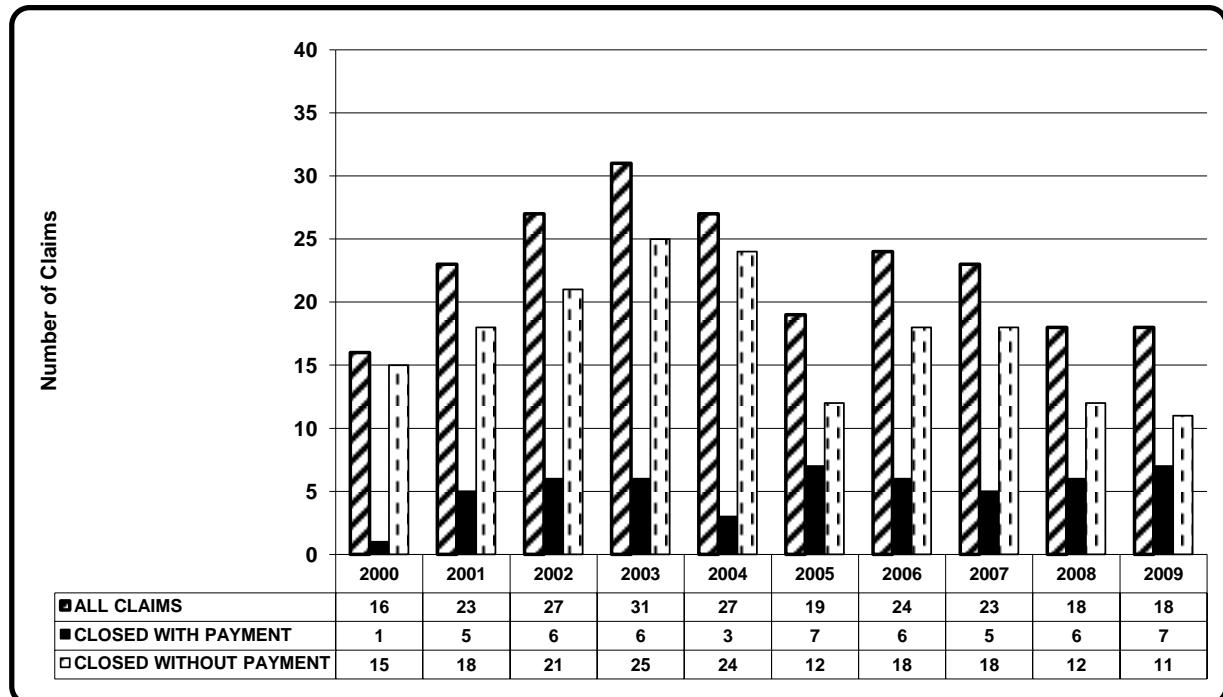


SETTLEMENT AND NEGOTIATION

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

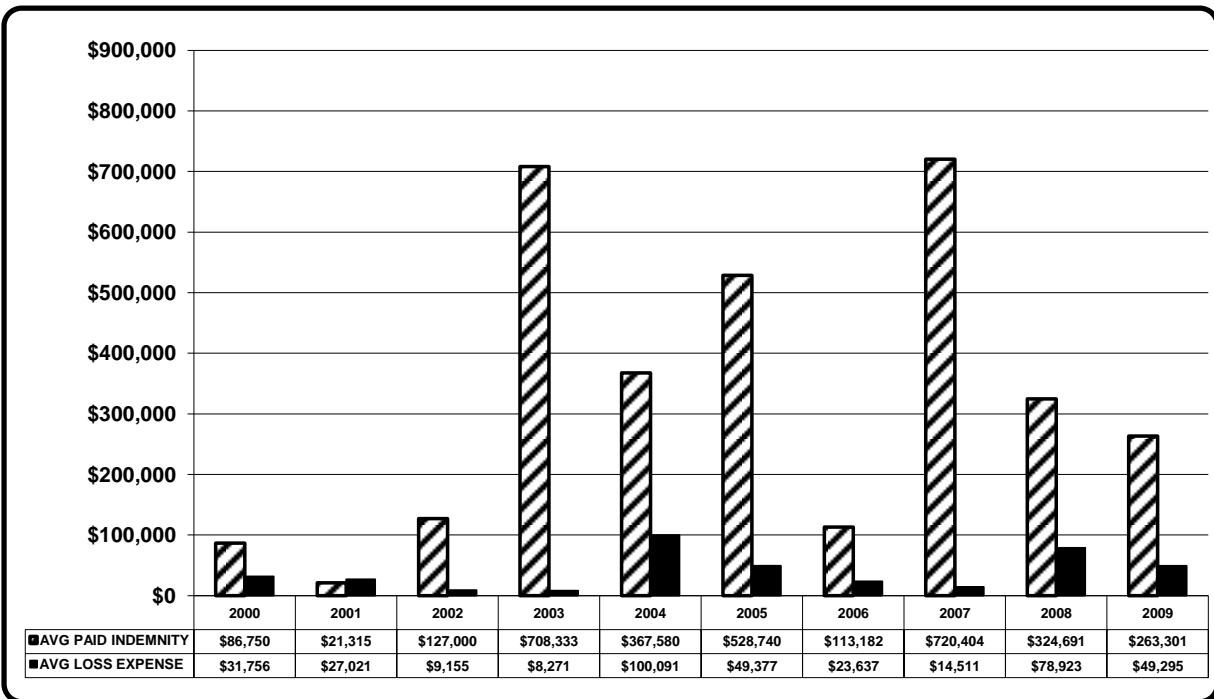


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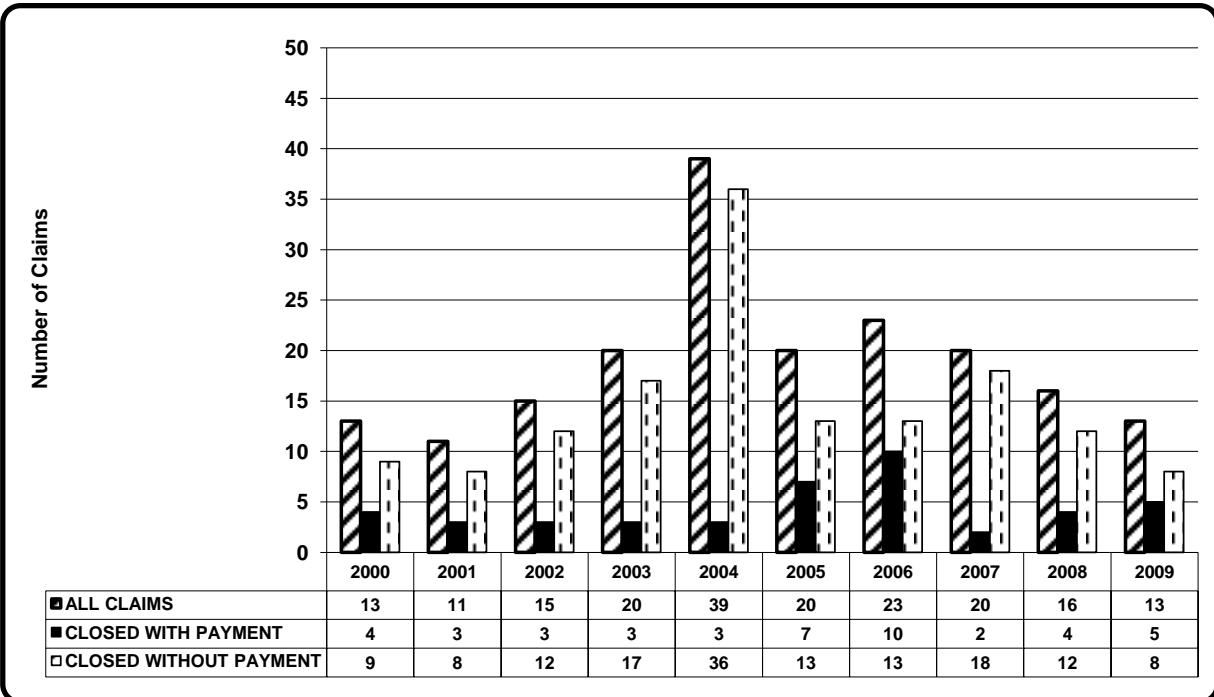


CONSULTATION OR ADVICE

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

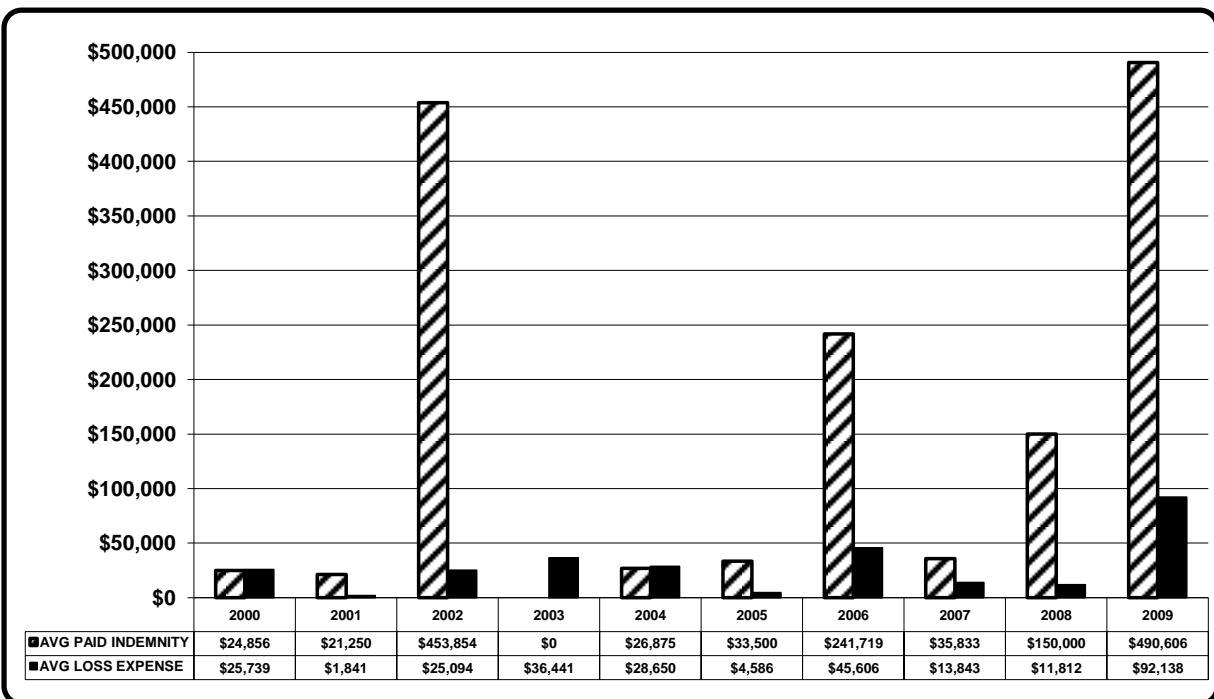


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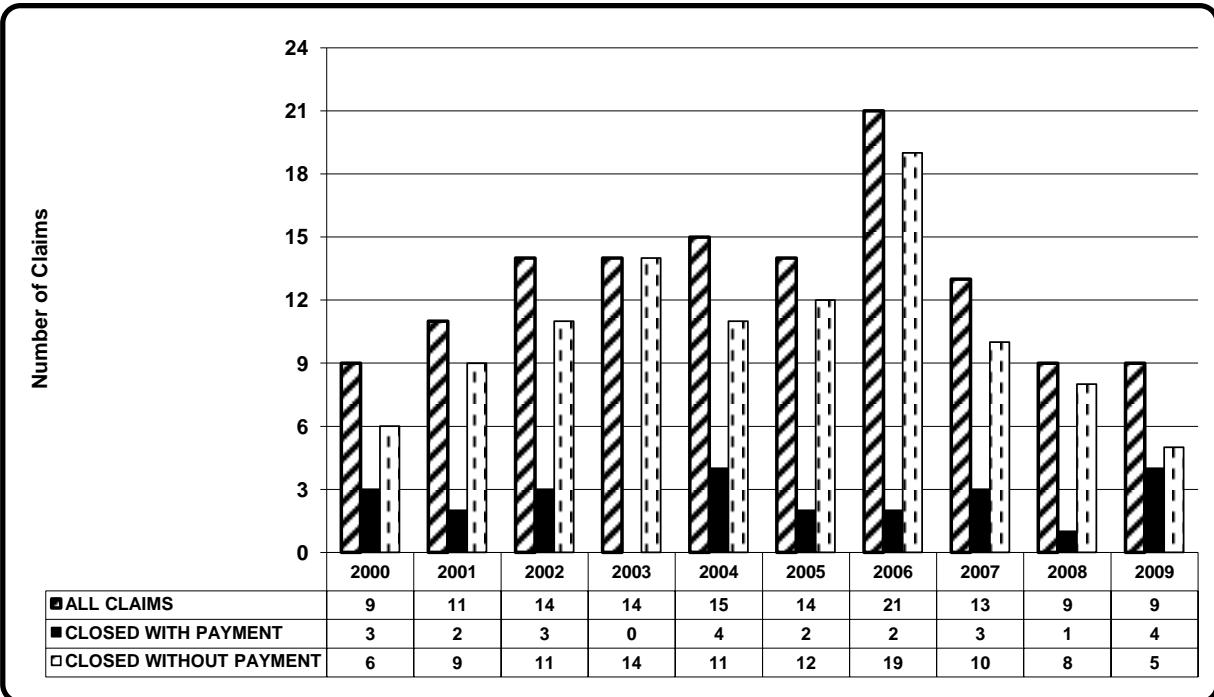


TRIAL OR HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

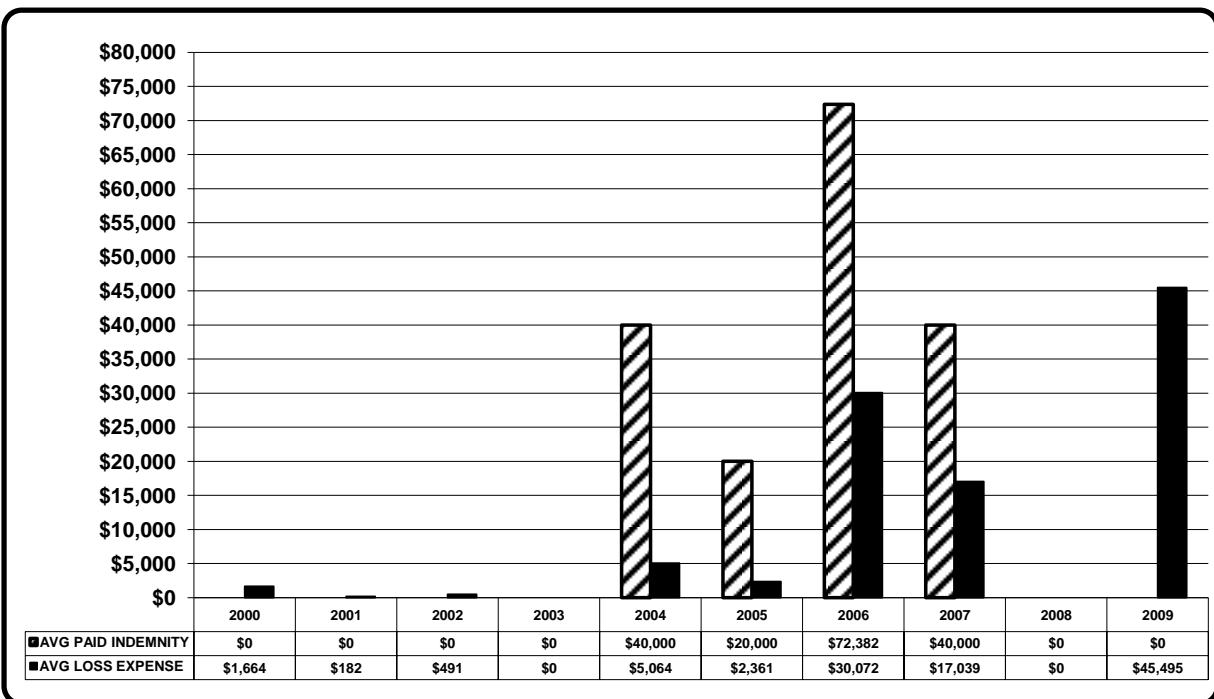


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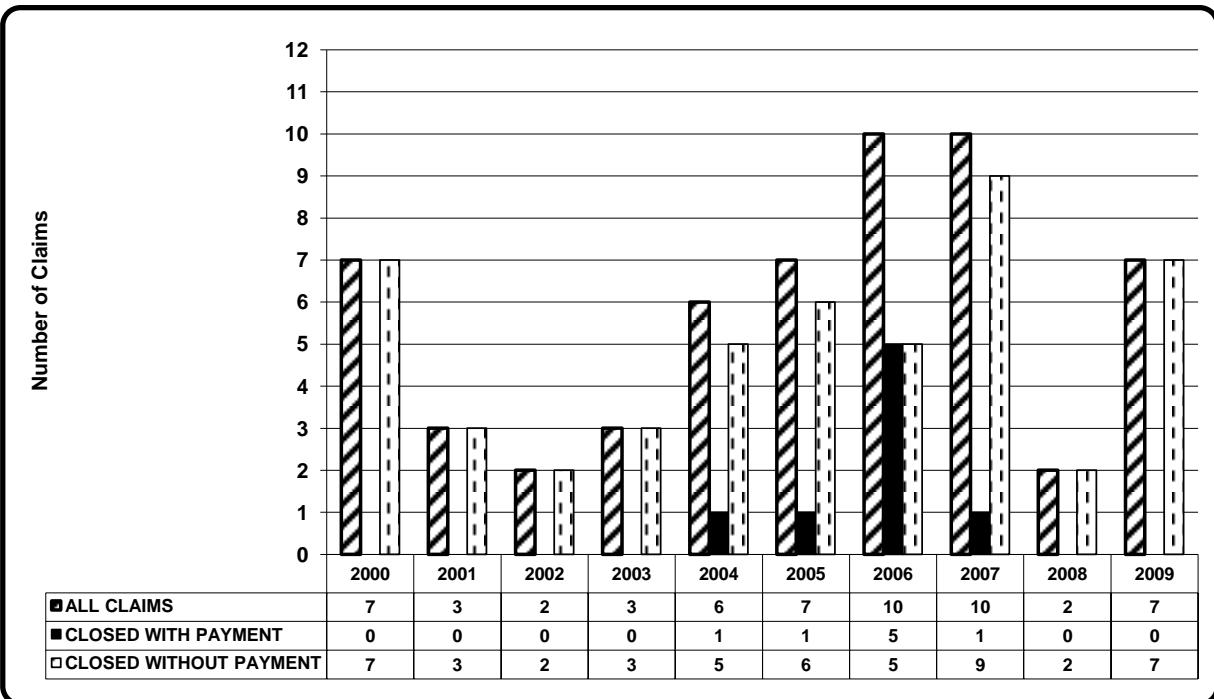


APPEAL ACTIVITIES

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

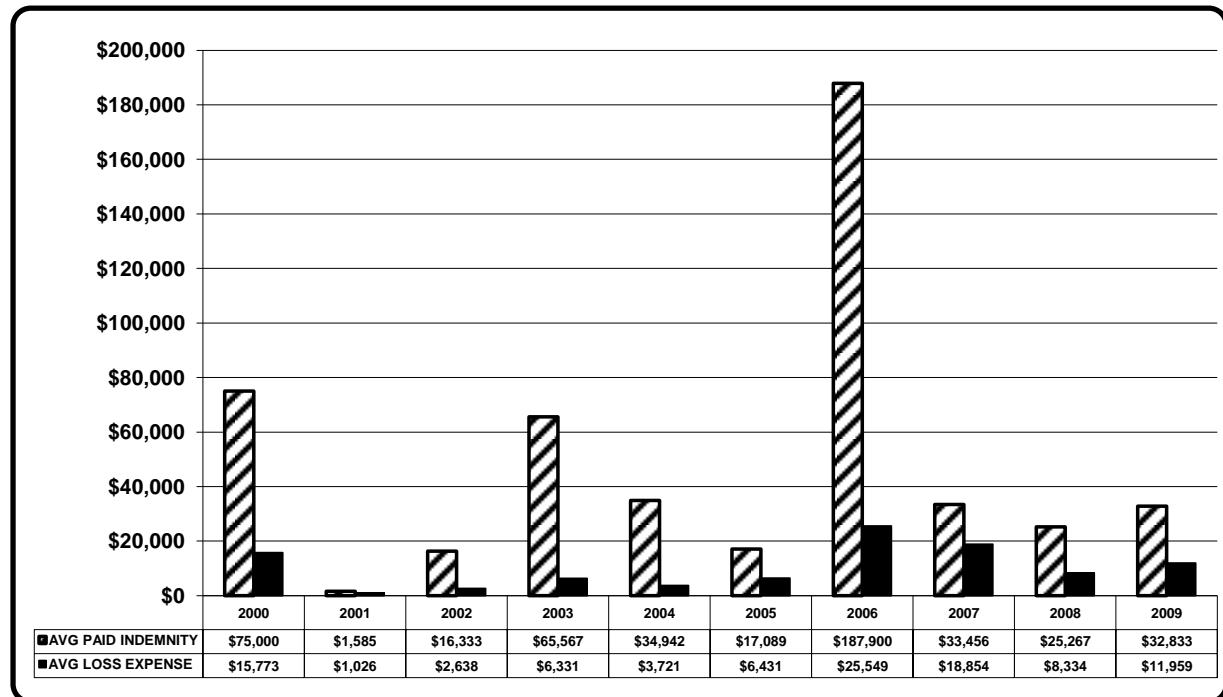


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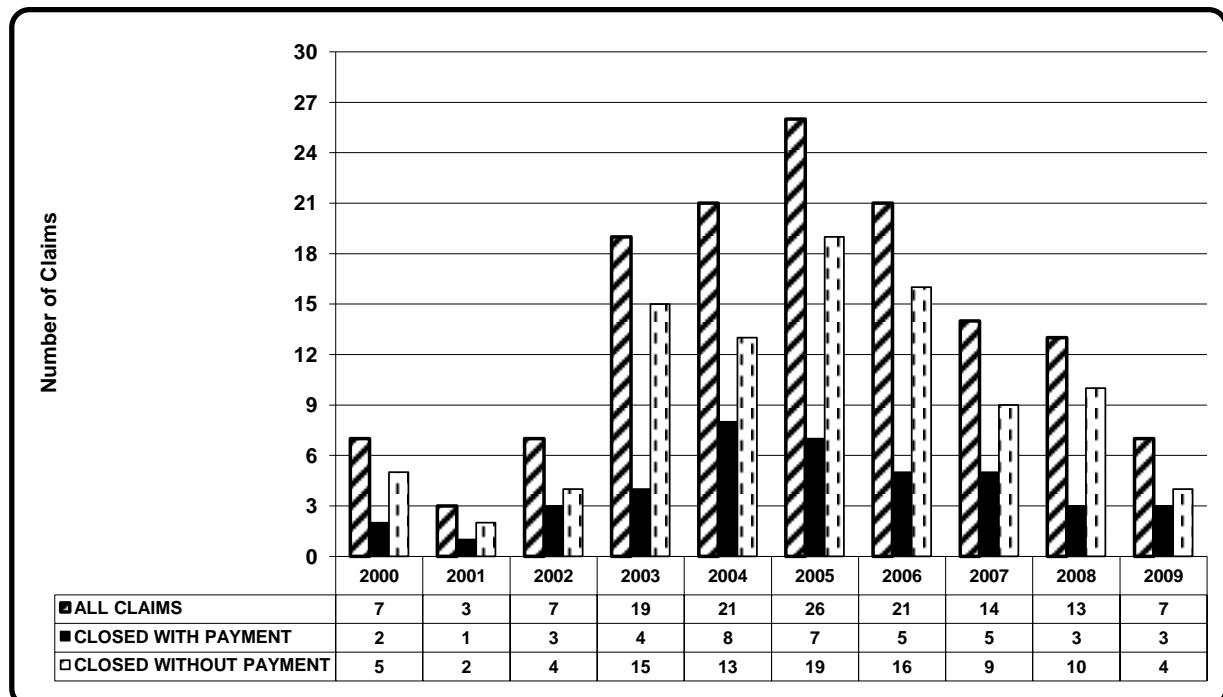


INVESTIGATION, OTHER THAN LITIGATION

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

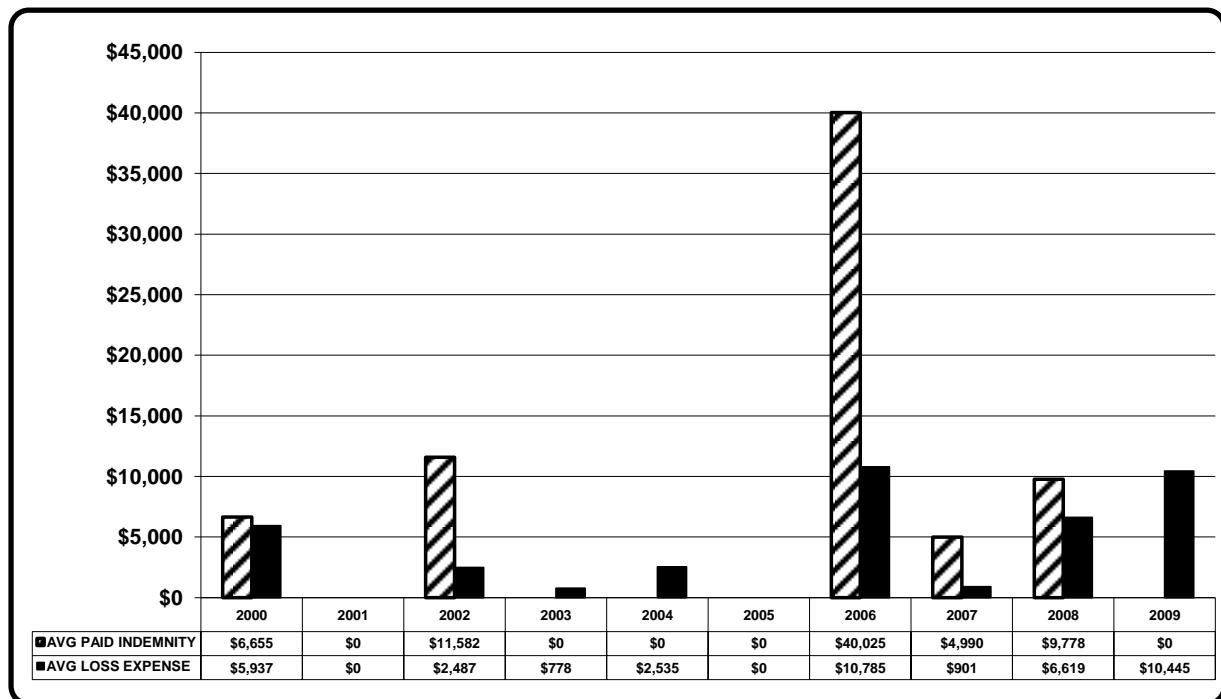


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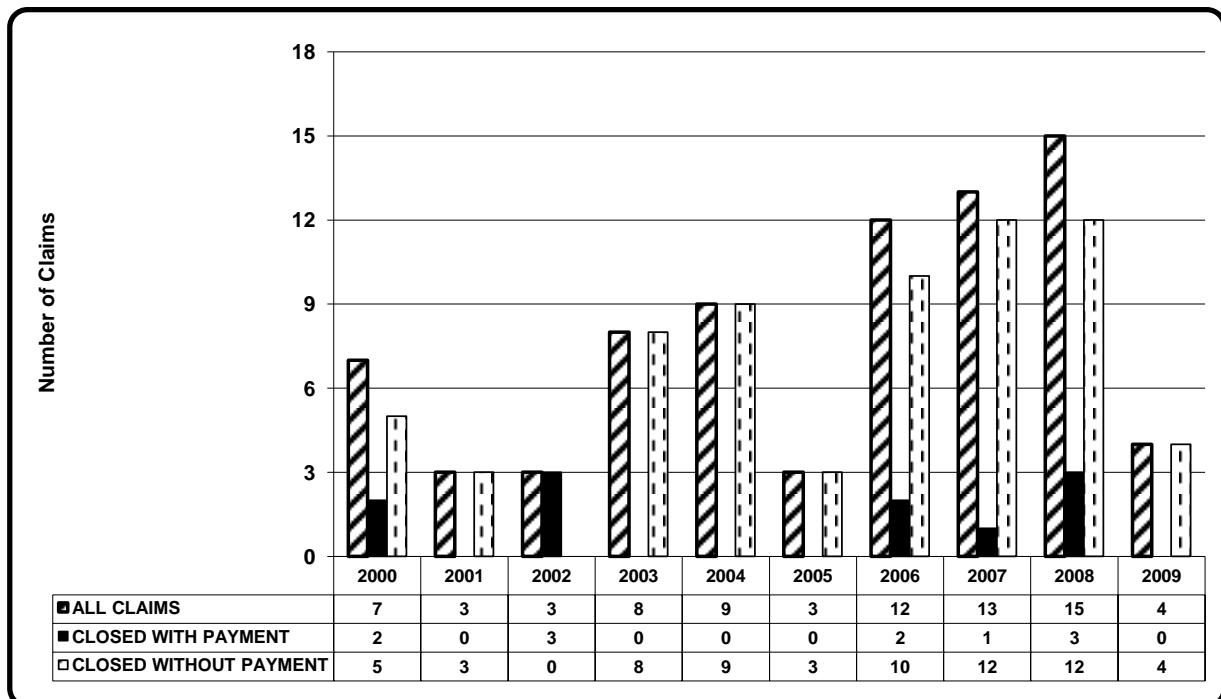


POST TRIAL OR HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
2009 SUMMARY
BY
ALLEGED ERRORS OR OMISSIONS**

**LEGAL MALPRACTICE INSURANCE
INDEMNITY ANALYSIS
FOR YEARS 2000-2009**

ERROR OR OMISSION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
FAIL TO ASCERTAIN DEADLINE CORRECTLY	382	159	24.73%	\$65,254	\$10,375,423	17.41%	\$1,829
OTHER	275	47	7.31%	\$69,130	\$3,249,101	5.45%	\$11,776
PROCRASTINATION OR LACK OF FOLLOW-UP	229	61	9.49%	\$123,213	\$7,515,983	12.61%	\$13,038
PLANNING OR STRATEGY ERROR	224	54	8.40%	\$208,827	\$11,276,645	18.92%	\$30,045
FAIL TO KNOW OR PROPERLY APPLY THE LAW	169	46	7.15%	\$202,495	\$9,314,778	15.63%	\$21,566
INADEQUATE INVESTIGATION	120	25	3.89%	\$75,762	\$1,894,054	3.18%	\$18,740
FAILURE TO REACT TO CALENDAR	111	49	7.62%	\$52,234	\$2,559,443	4.29%	\$5,346
FAIL TO FOLLOW CLIENTS INSTRUCTIONS	110	20	3.11%	\$78,173	\$1,563,461	2.62%	\$16,124
MALICIOUS PROSECUTION OR ABUSE OF PROCESS	107	12	1.87%	\$21,292	\$255,500	0.43%	\$10,757
CONFLICT OF INTEREST	94	24	3.73%	\$119,083	\$2,858,002	4.80%	\$24,004
FAIL TO FILE DOCUMENTS WITHIN DEADLINE	87	23	3.58%	\$73,227	\$1,684,225	2.83%	\$16,931
FAIL TO OBTAIN CLIENTS CONSENT	79	15	2.33%	\$90,109	\$1,351,634	2.27%	\$52,058
FRAUD	77	13	2.02%	\$47,740	\$620,619	1.04%	\$18,229
FAILURE TO CALENDAR PROPERLY	74	41	6.38%	\$71,465	\$2,930,069	4.92%	\$11,601
CLERICAL ERROR	70	25	3.89%	\$22,478	\$561,945	0.94%	\$2,480
VIOLATION OF CIVIL RIGHTS	44	2	0.31%	\$50,000	\$100,000	0.17%	\$6,062
IMPROPER WITHDRAWAL FROM REPRESENTATION	32	8	1.24%	\$37,339	\$298,710	0.50%	\$6,826
ERROR IN MATHEMATICAL CALCULATION	28	7	1.09%	\$55,710	\$389,968	0.65%	\$6,659
LIBEL OR SLANDER	24	1	0.16%	\$21,300	\$21,300	0.04%	\$3,741
ERROR IN PUBLIC RECORD SEARCH	20	5	0.78%	\$78,822	\$394,109	0.66%	\$14,859
FAIL TO ANTICIPATE TAX CONSEQUENCES	20	4	0.62%	\$90,022	\$360,086	0.60%	\$16,900
LOST FILE, DOCUMENT OR EVIDENCE	8	2	0.31%	\$12,500	\$25,000	0.04%	\$12,680
TOTAL	2,384	643	100.00%	\$92,691	\$59,600,055	100.00%	\$14,614

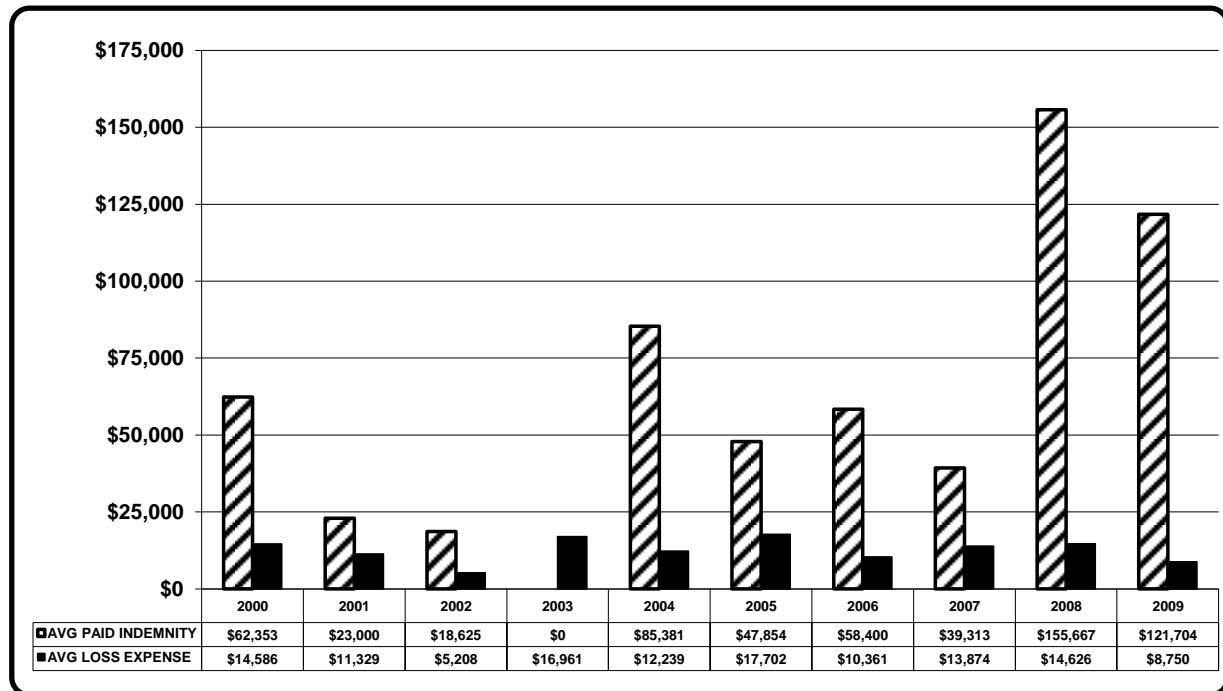
LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS CLAIMS CLOSED IN 2009

ERROR OR OMISSION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
				PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM		
OTHER	76	9	13.43%	\$121,704	\$1,095,337	13.76%	\$8,750
FAIL TO ASCERTAIN DEADLINE CORRECTLY	23	6	8.96%	\$327,298	\$1,963,787	24.68%	-\$237,617
FAIL TO KNOW OR PROPERLY APPLY THE LAW	18	7	10.45%	\$47,803	\$334,621	4.21%	\$43,653
PLANNING OR STRATEGY ERROR	16	6	8.96%	\$238,651	\$1,431,905	17.99%	\$43,189
FAILURE TO CALENDAR PROPERLY	13	9	13.43%	\$34,037	\$306,333	3.85%	\$31,996
FAIL TO FILE DOCUMENTS WITH NO DEADLINE	11	6	8.96%	\$28,442	\$170,649	2.14%	\$7,514
FAIL TO FOLLOW CLIENTS INSTRUCTIONS	11	2	2.99%	\$62,500	\$125,000	1.57%	\$8,341
FAILURE TO REACT TO CALENDAR	11	7	10.45%	\$121,903	\$853,324	10.72%	\$33,459
FRAUD	11	1	1.49%	\$12,500	\$12,500	0.16%	\$10,524
MALICIOUS PROSECUTION OR ABUSE OF PROCESS	9	3	4.48%	\$43,667	\$131,000	1.65%	\$26,957
PROCRASTINATION OR LACK OF FOLLOW-UP	9	5	7.46%	\$32,885	\$164,426	2.07%	\$8,243
CLERICAL ERROR	6	1	1.49%	\$10,000	\$10,000	0.13%	\$1,667
INADEQUATE INVESTIGATION	5	1	1.49%	\$77,500	\$77,500	0.97%	\$15,700
VIOLATION OF CIVIL RIGHTS	5	1	1.49%	\$75,000	\$75,000	0.94%	\$9,683
CONFLICT OF INTEREST	4	1	1.49%	\$1,147,032	\$1,147,032	14.41%	\$135,795
FAIL TO OBTAIN CLIENTS CONSENT	4	0	0.00%	N/A	\$0	0.00%	\$1,033
FAIL TO ANTICIPATE TAX CONSEQUENCES	3	0	0.00%	N/A	\$0	0.00%	\$4,499
ERROR IN PUBLIC RECORD SEARCH	2	1	1.49%	\$35,000	\$35,000	0.44%	\$22,355
ERROR IN MATHEMATICAL CALCULATION	1	1	1.49%	\$24,054	\$24,054	0.30%	\$0
LIBEL OR SLANDER	1	0	0.00%	N/A	\$0	0.00%	\$18,786
LOST FILE, DOCUMENT OR EVIDENCE	1	0	0.00%	N/A	\$0	0.00%	\$1,080
TOTAL	240	67	100.00%	\$118,768	\$7,957,468	100.00%	-\$4,876

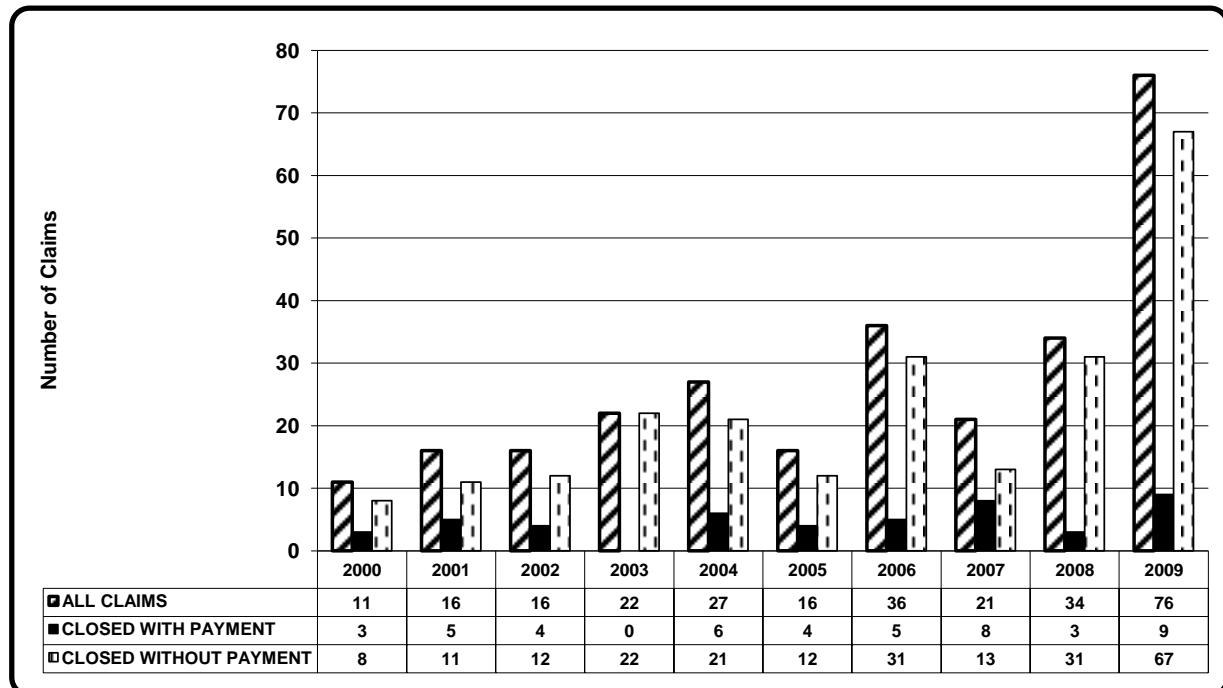
**TRENDS
OF THE TOP TEN
ERRORS OR OMISSIONS
OF 2009**

OTHER

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

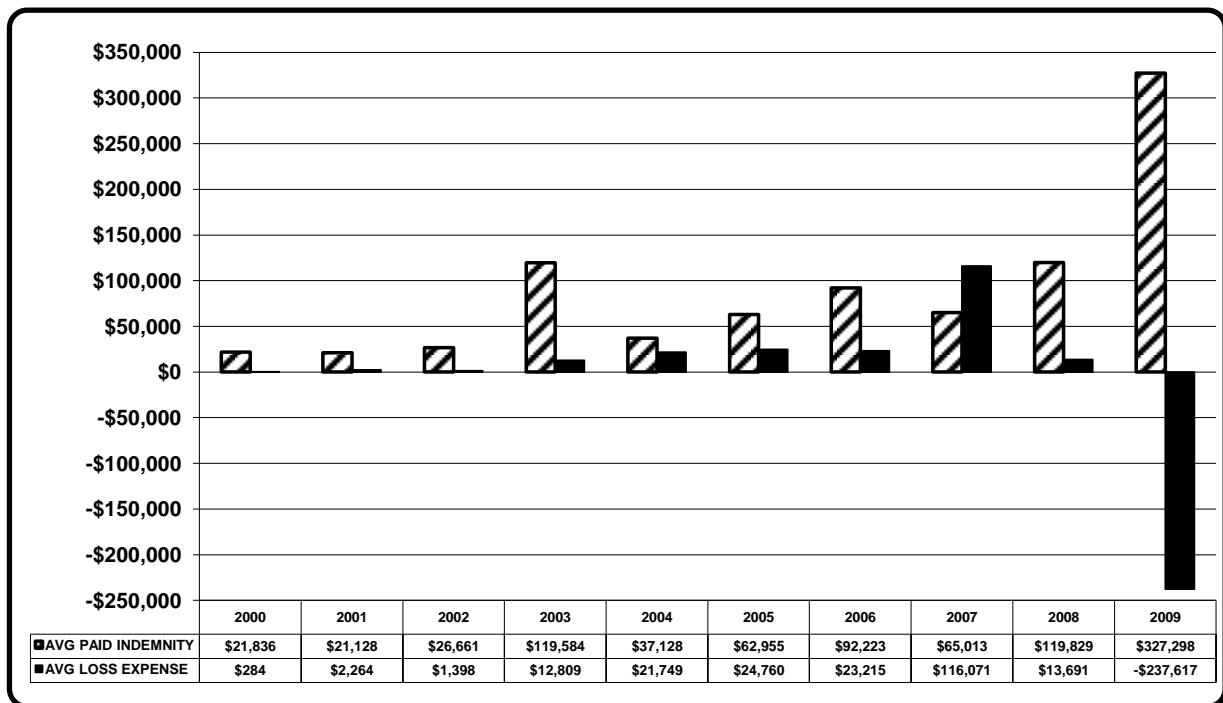


CLAIM COUNT

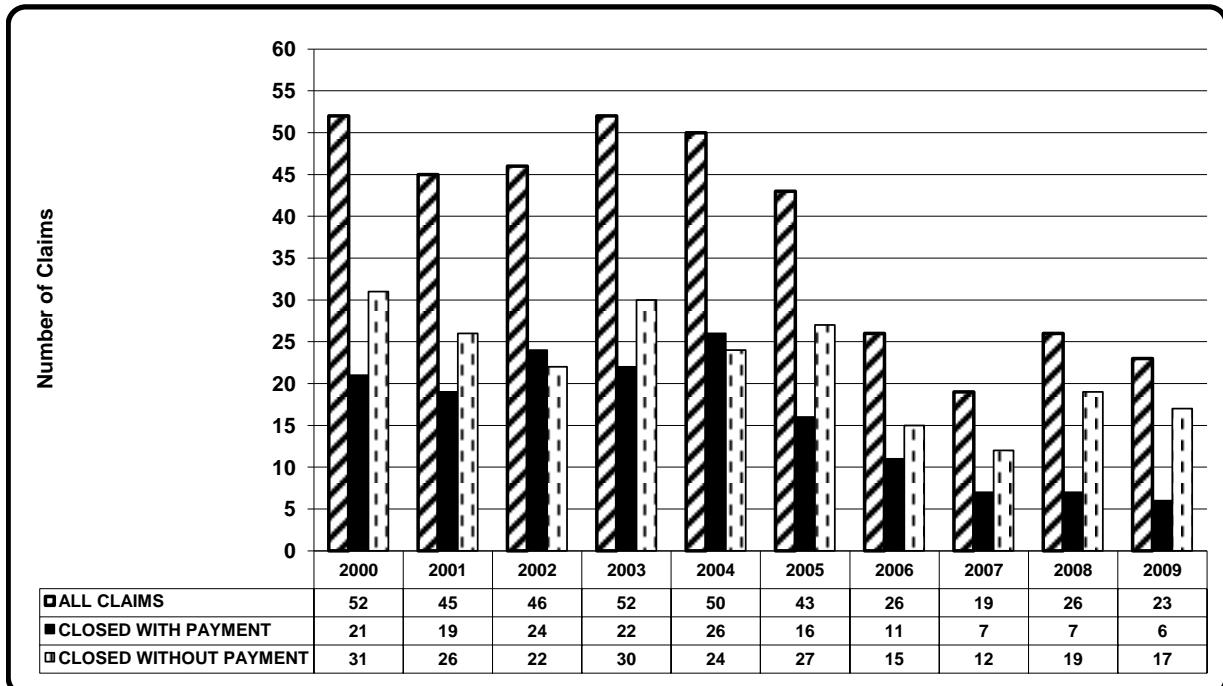


FAIL TO ASCERTAIN DEADLINE CORRECTLY

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

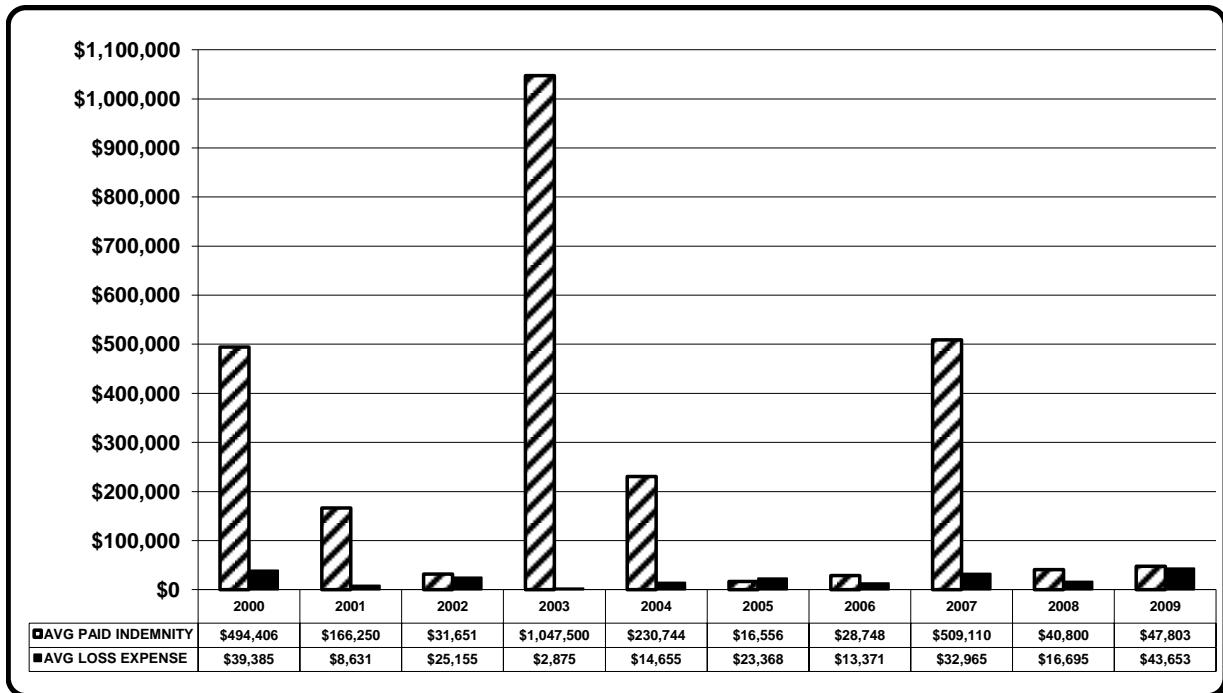


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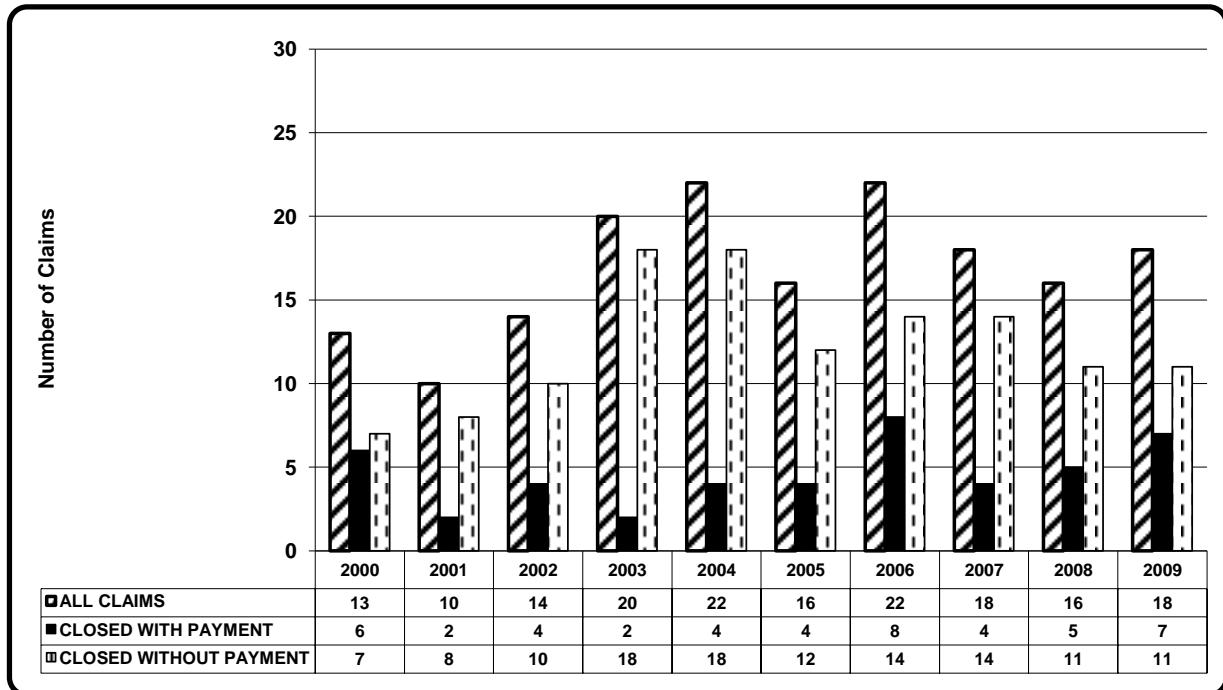


FAIL TO KNOW OR PROPERLY APPLY THE LAW

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

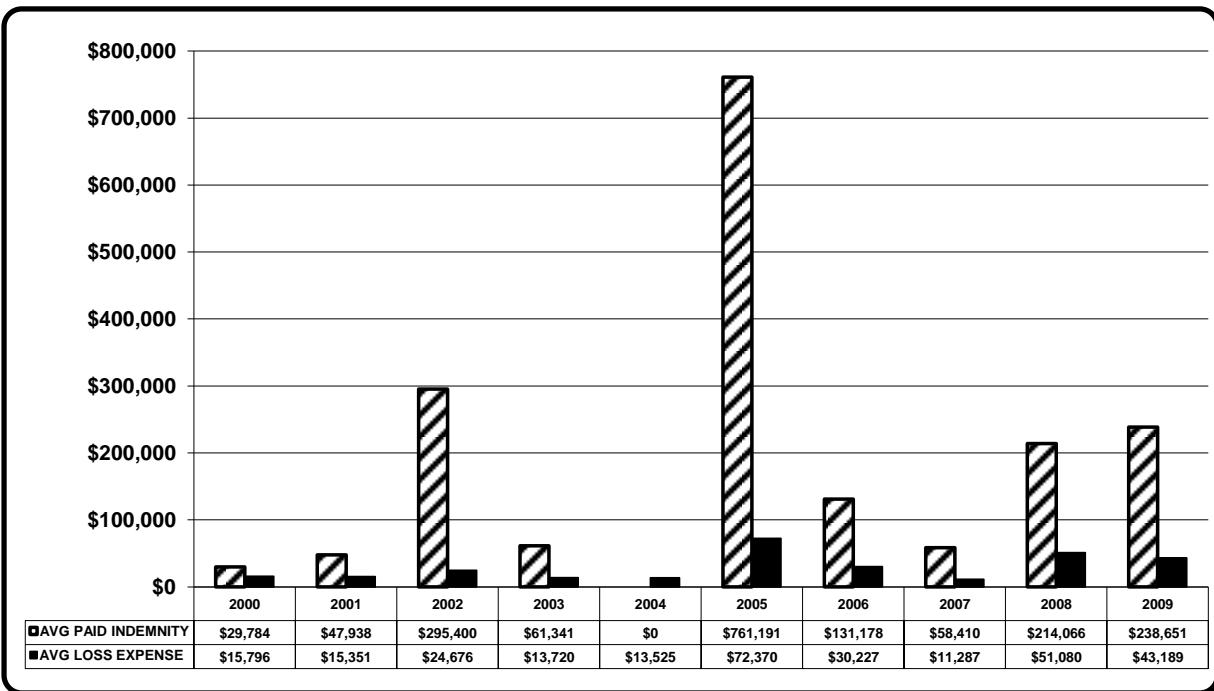


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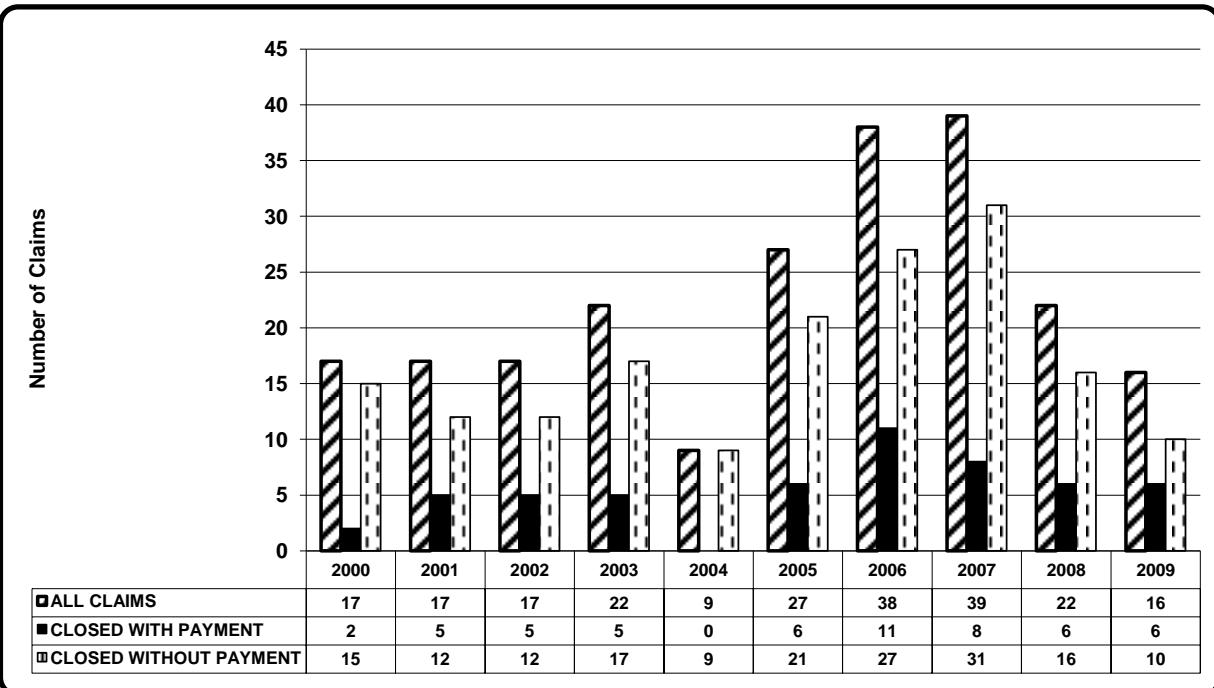


PLANNING OR STRATEGY ERROR

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

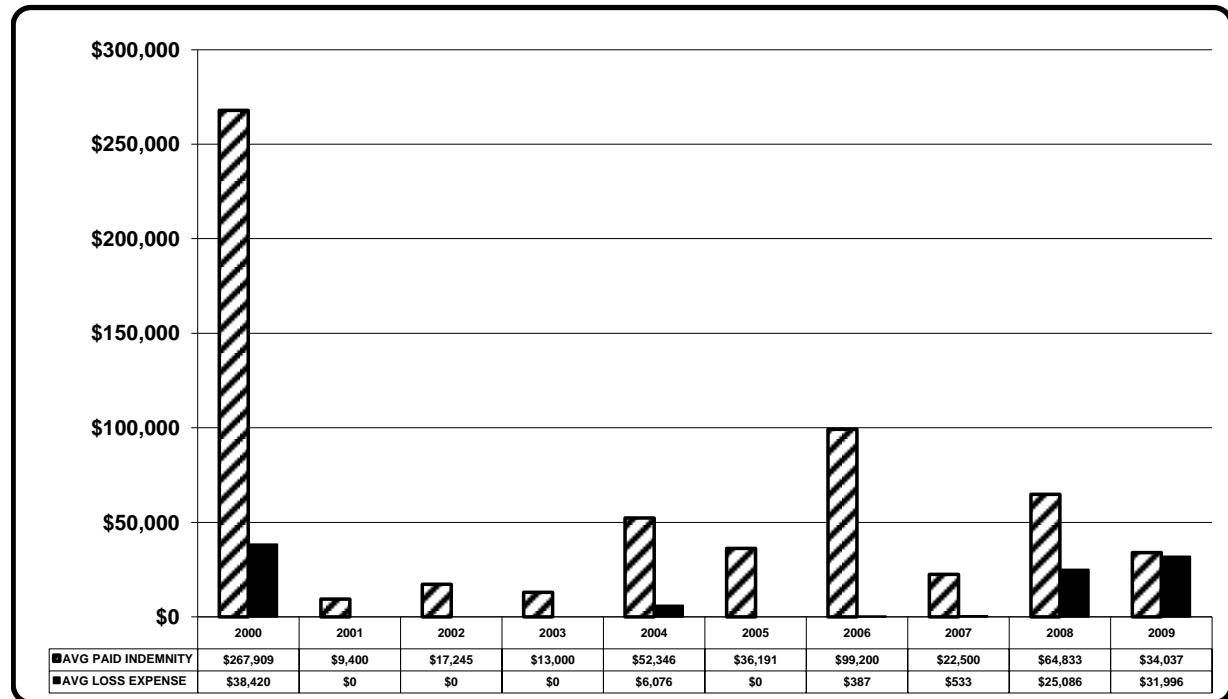


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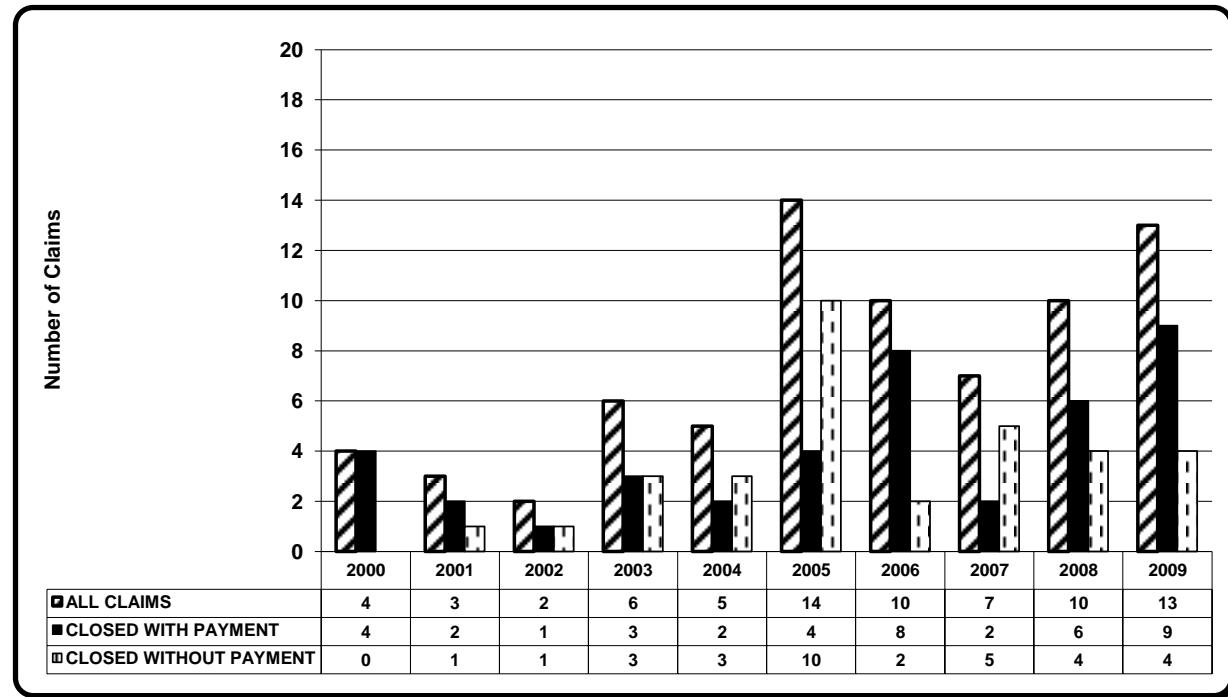


FAILURE TO CALENDAR PROPERLY

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

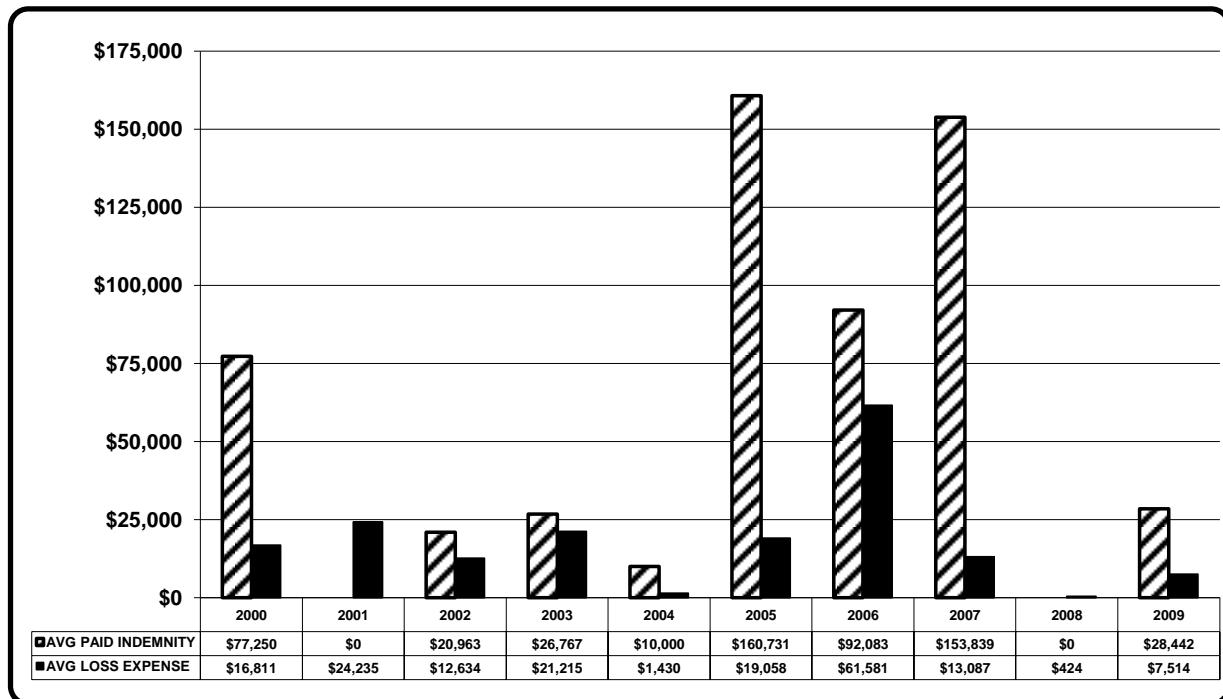


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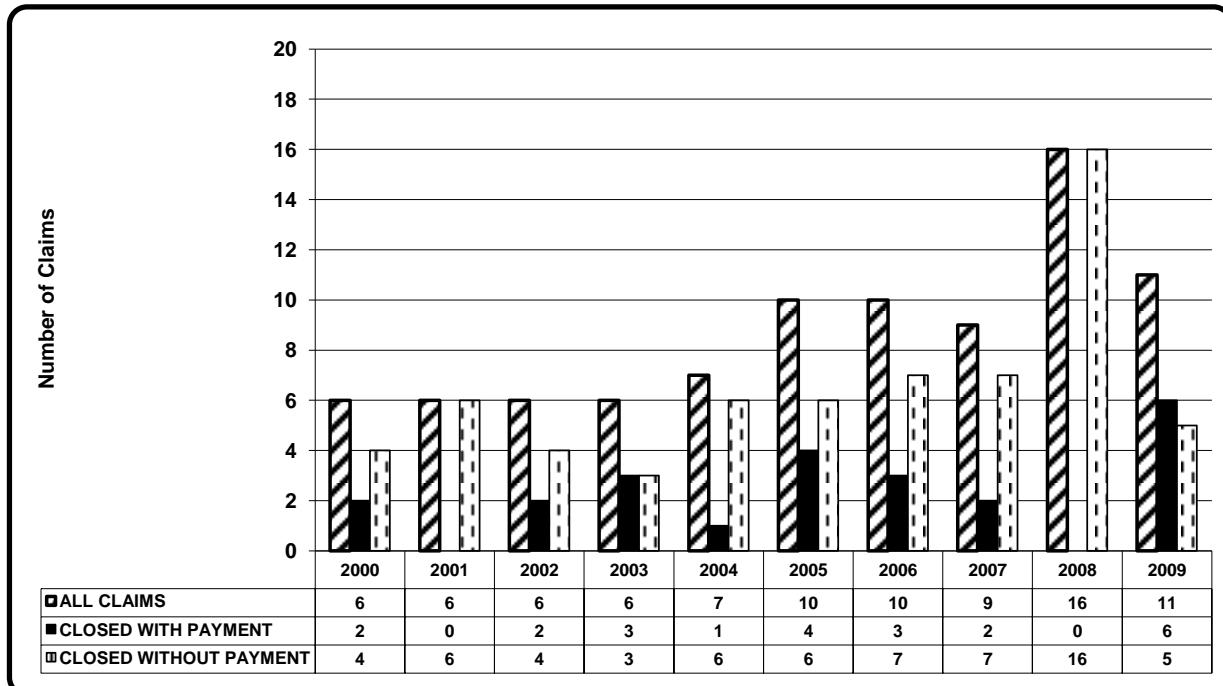


FAIL TO FILE DOCUMENTS WITH NO DEADLINE

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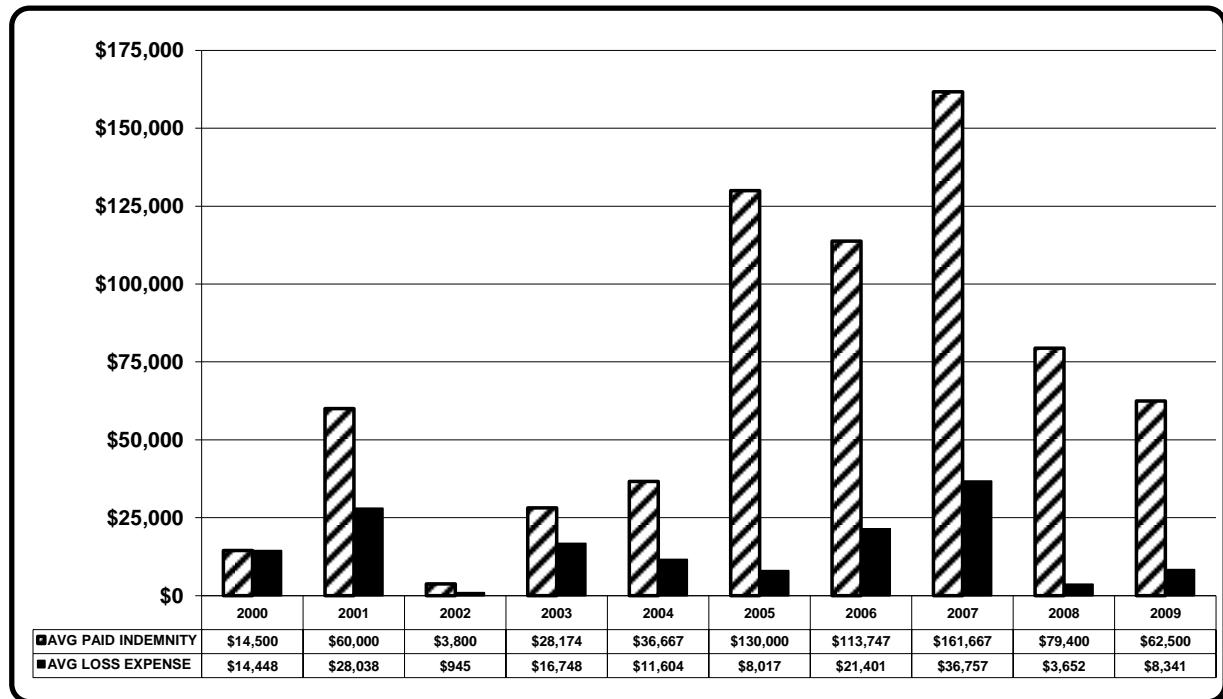


FAIL TO FILE DOCUMENTS WITH NO DEADLINE

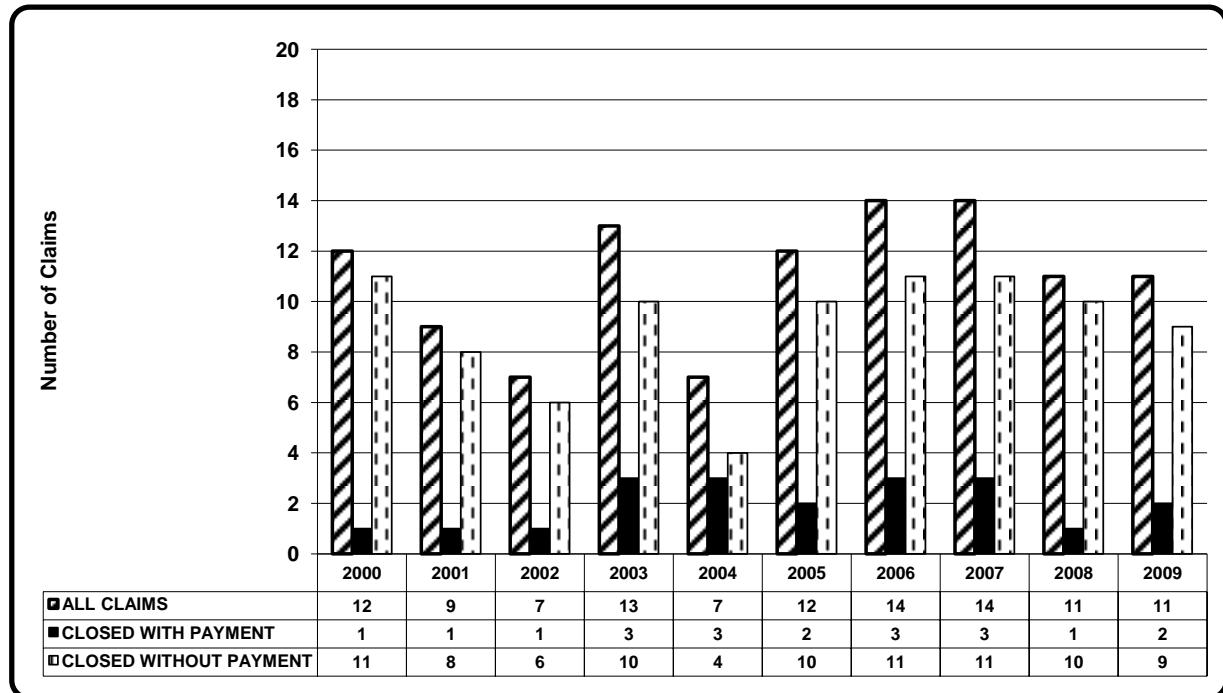


FAIL TO FOLLOW CLIENTS INSTRUCTIONS

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

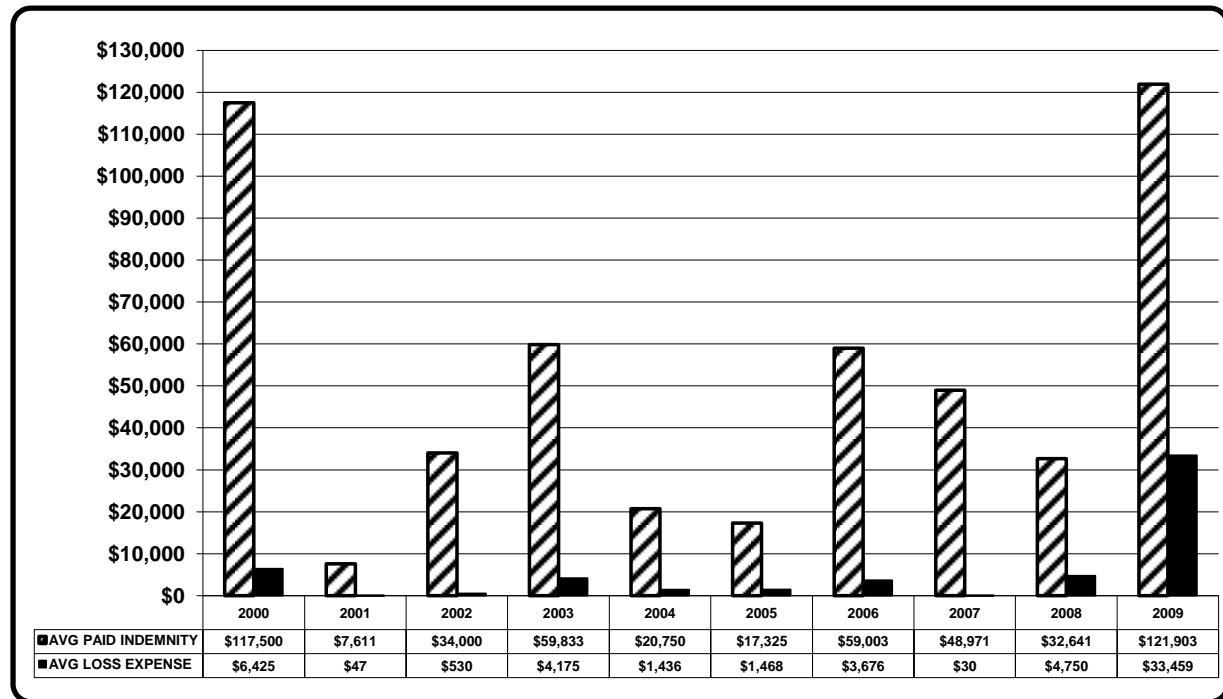


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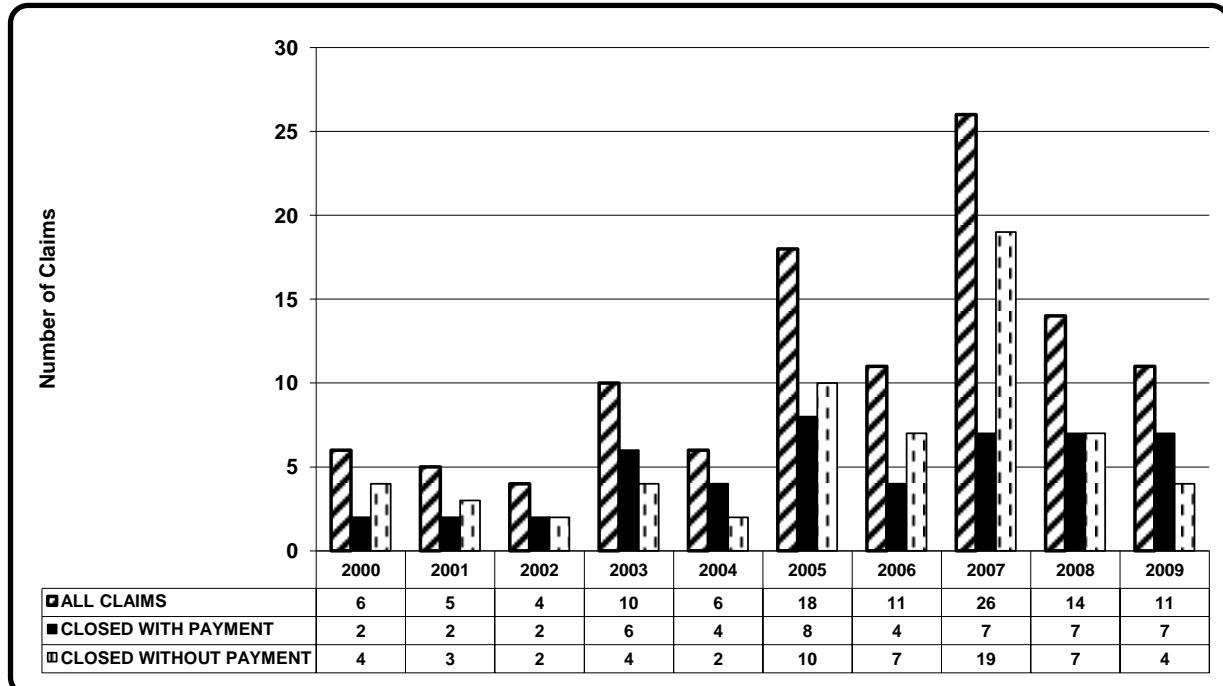


FAILURE TO REACT TO CALENDAR

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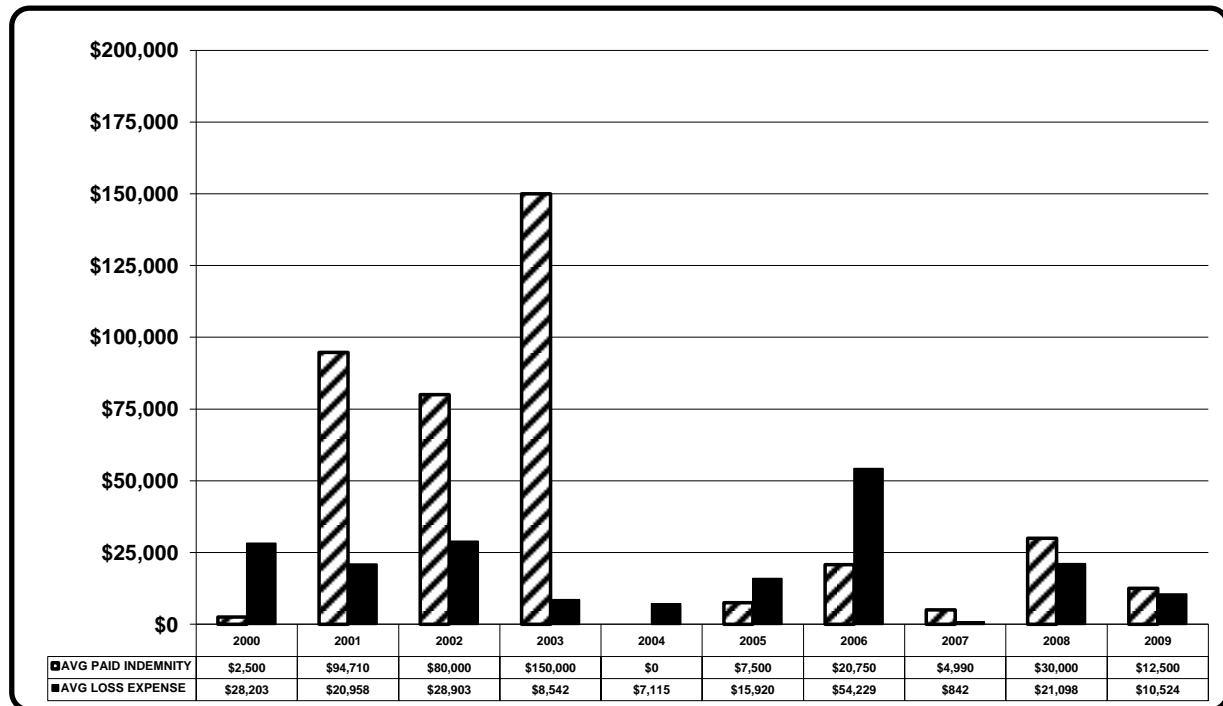


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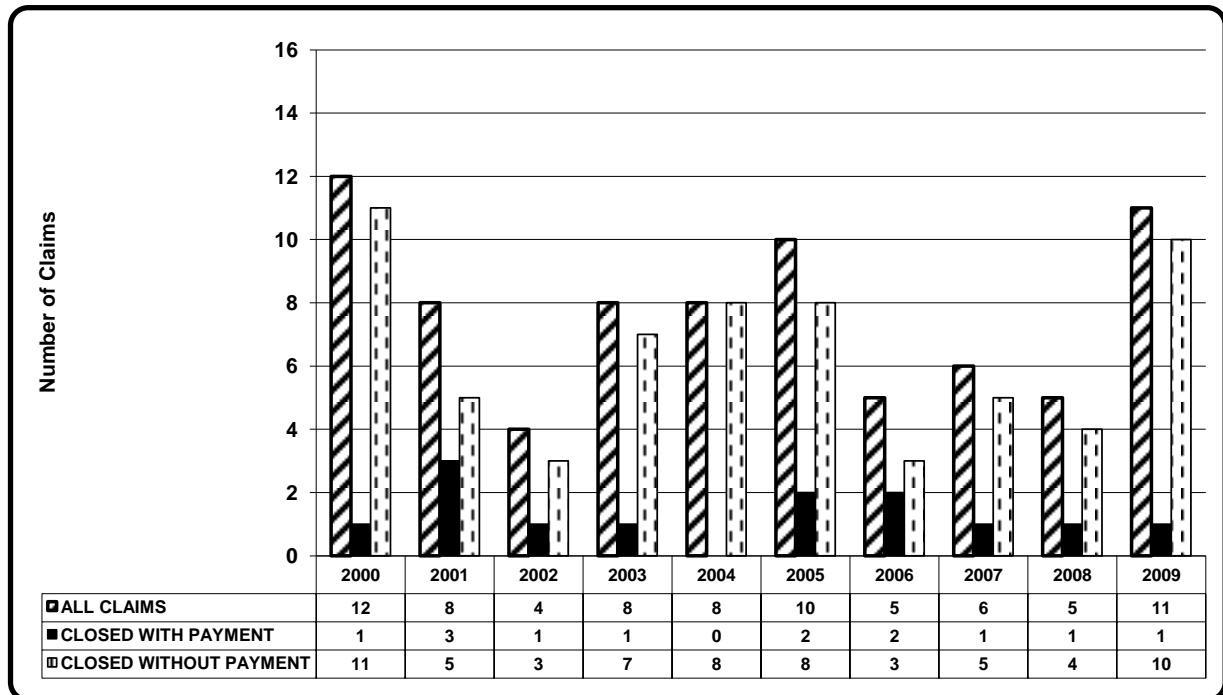


FRAUD

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

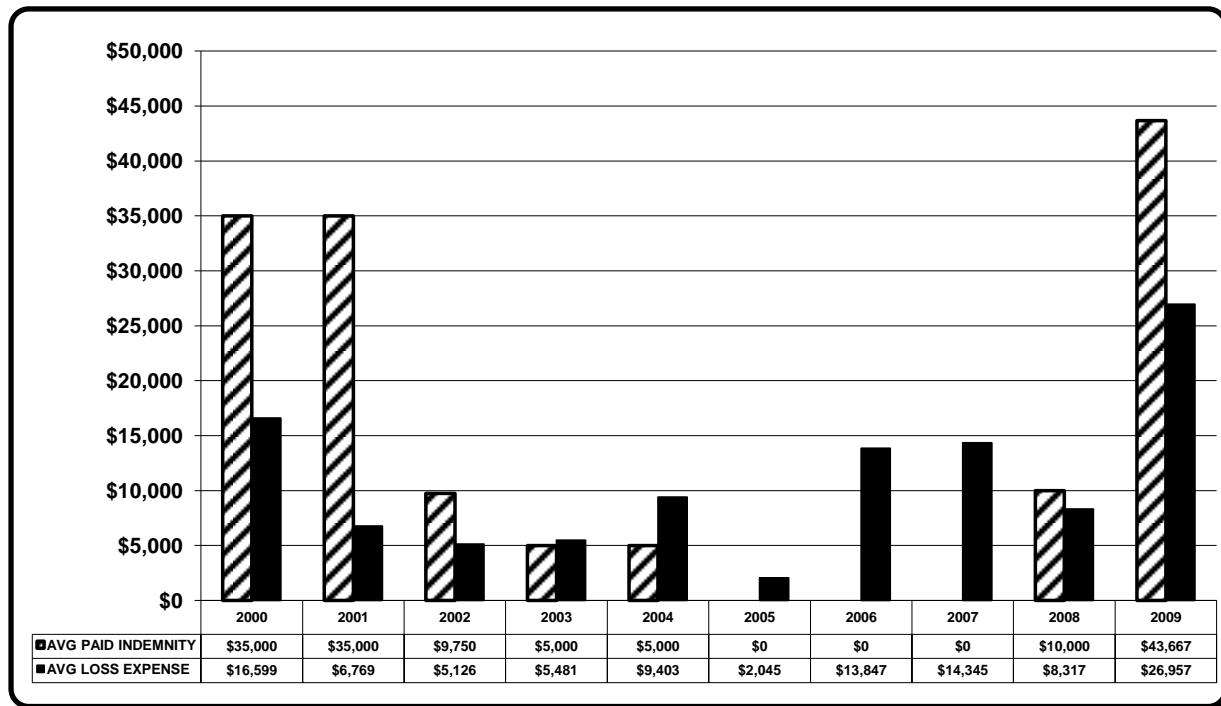


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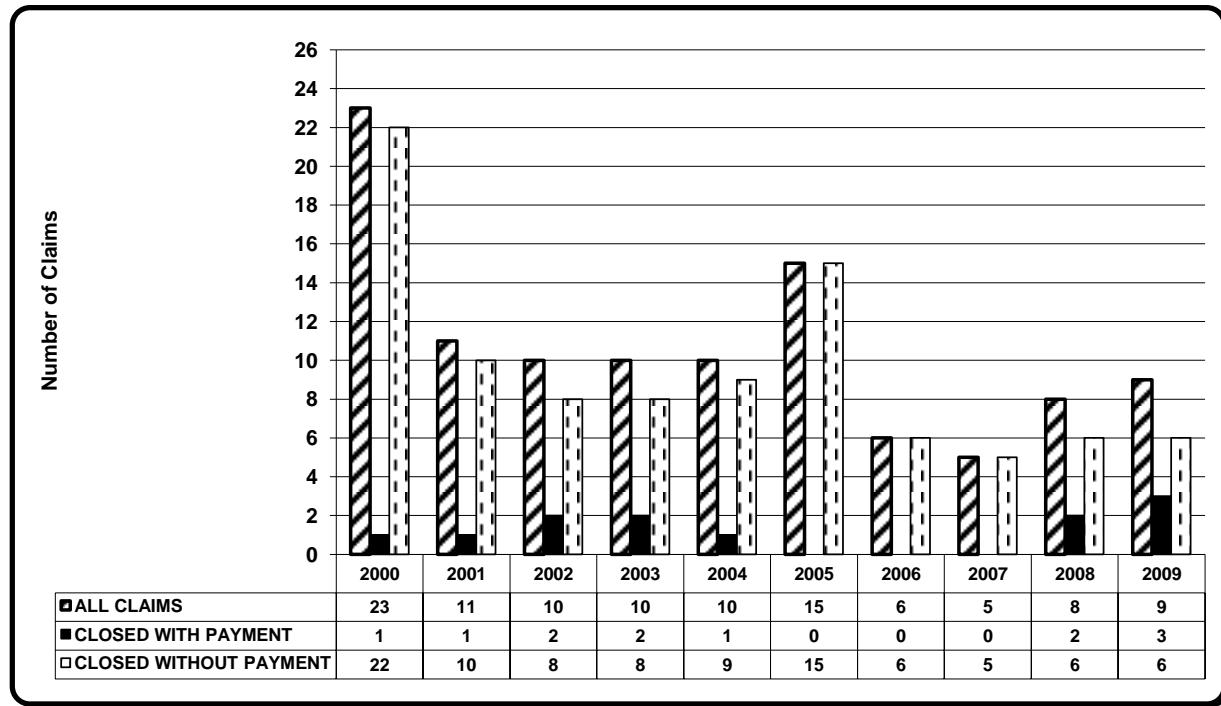


MALICIOUS PROSECUTION OR ABUSE OF PROCESS

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
2009 SUMMARY
BY
CLAIM DISPOSITIONS**

**LEGAL MALPRACTICE INSURANCE
INDEMNITY ANALYSIS
FOR YEARS 2000-2009**

CLAIM DISPOSITION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
							24.63%
BEFORE FILING SUIT OR DEMANDING HEARING	1,093	286	44.48%	\$51,317	\$14,676,554	24.63%	\$1,225
BEFORE TRIAL OR HEARING	909	324	50.39%	\$105,595	\$34,212,655	57.40%	\$29,503
CLAIM OR SUIT ABANDONED	162	0	0.00%	N/A	\$0	0.00%	\$1,391
AFTER APPEAL	83	10	1.56%	\$308,530	\$3,085,298	5.18%	\$77,960
AFTER JUDGMENT, BEFORE APPEAL	39	8	1.24%	\$500,382	\$4,003,059	6.72%	-\$114,096
DURING TRIAL OR HEARING	37	5	0.78%	\$164,940	\$824,700	1.38%	\$35,696
AFTER TRIAL OR HEARING, BEFORE JUDGMENT	32	6	0.93%	\$321,714	\$1,930,282	3.24%	\$43,312
DURING APPEAL	21	4	0.62%	\$216,877	\$867,507	1.46%	\$81,311
DURING REVIEW PANEL	8	0	0.00%	N/A	\$0	0.00%	\$2,911
TOTAL	2,384	643	100.00%	\$92,691	\$59,600,055	100.00%	\$14,614

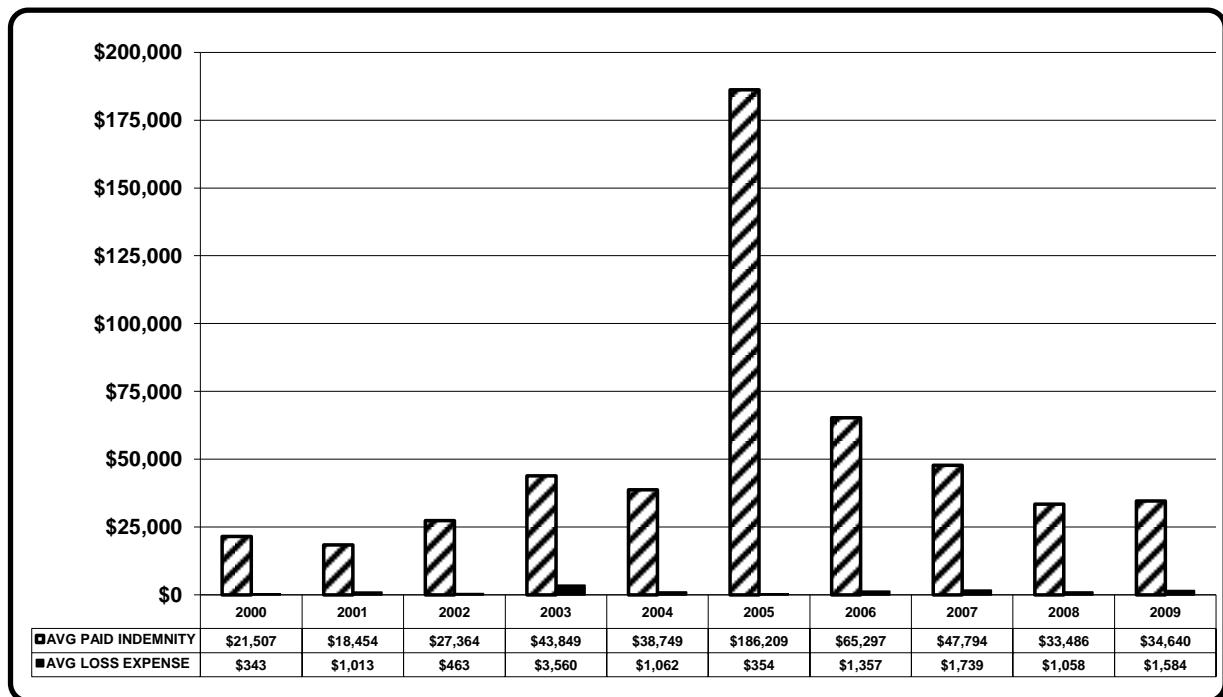
LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS CLAIMS CLOSED IN 2009

CLAIM DISPOSITION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
							58
BEFORE FILING SUIT OR DEMANDING HEARING	108	23	34.33%	\$34,640	\$796,716	10.01%	\$1,584
BEFORE TRIAL OR HEARING	70	38	56.72%	\$115,817	\$4,401,032	55.31%	\$46,584
CLAIM OR SUIT ABANDONED	37	0	0.00%	N/A	\$0	0.00%	\$1,075
DURING TRIAL OR HEARING	6	1	1.49%	\$149,650	\$149,650	1.88%	\$50,775
AFTER TRIAL OR HEARING, BEFORE JUDGMENT	5	2	2.99%	\$252,500	\$505,000	6.35%	\$49,711
DURING REVIEW PANEL	5	0	0.00%	N/A	\$0	0.00%	\$4,000
AFTER APPEAL	4	0	0.00%	N/A	\$0	0.00%	\$7,641
AFTER JUDGMENT, BEFORE APPEAL	4	3	4.48%	\$701,690	\$2,105,070	26.45%	-\$1,324,330
DURING APPEAL	1	0	0.00%	N/A	\$0	0.00%	\$51,592
TOTAL	240	67	100.00%	\$118,768	\$7,957,468	100.00%	-\$4,876

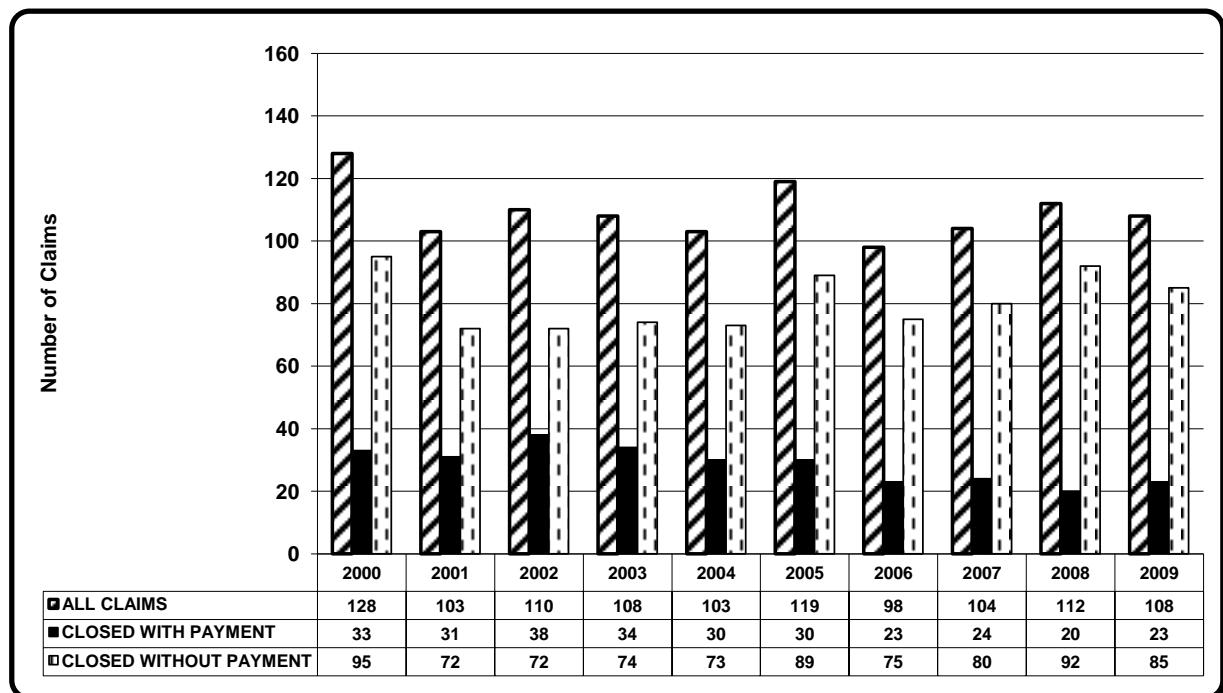
**TRENDS
OF THE TOP NINE
CLAIM DISPOSITIONS
OF 2009**

BEFORE FILING SUIT OR DEMANDING HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

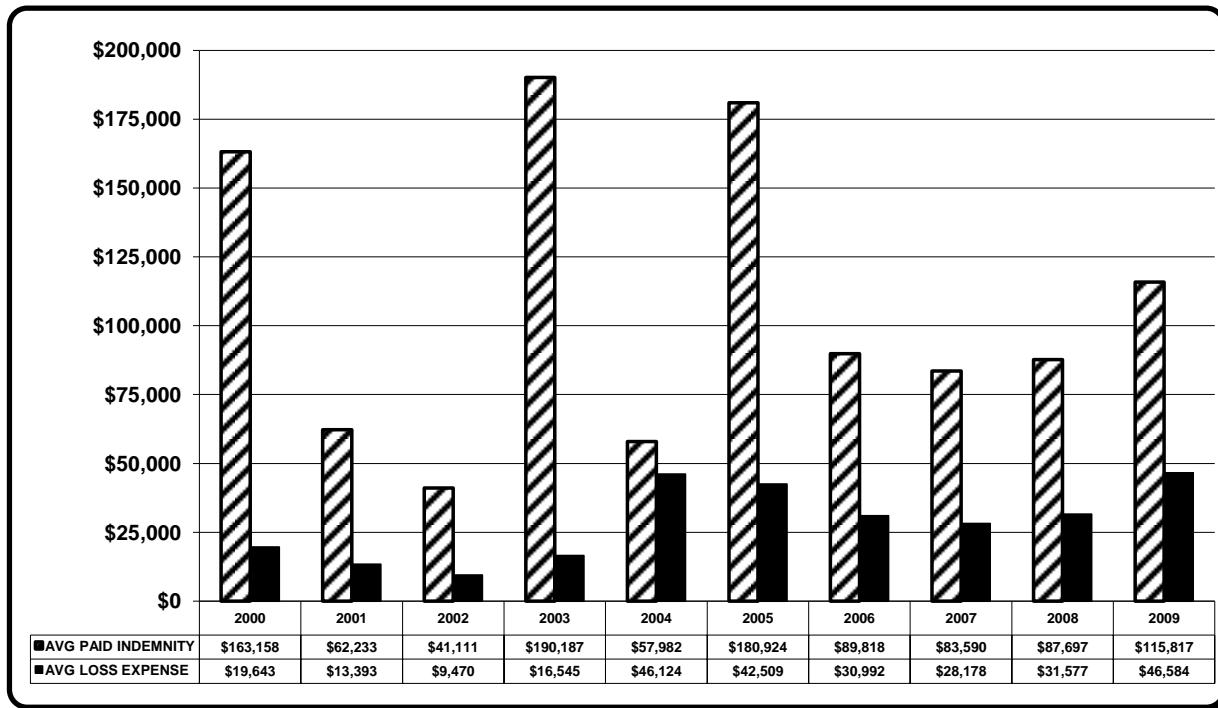


CLAIM COUNT

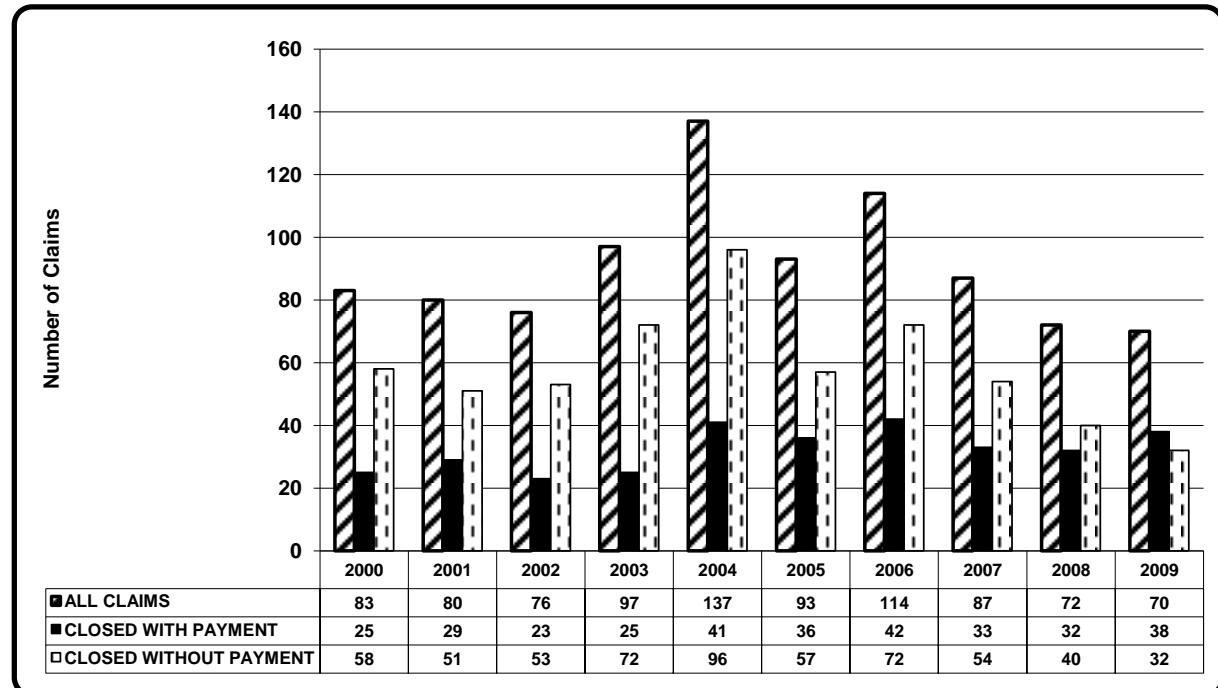


BEFORE TRIAL OR HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

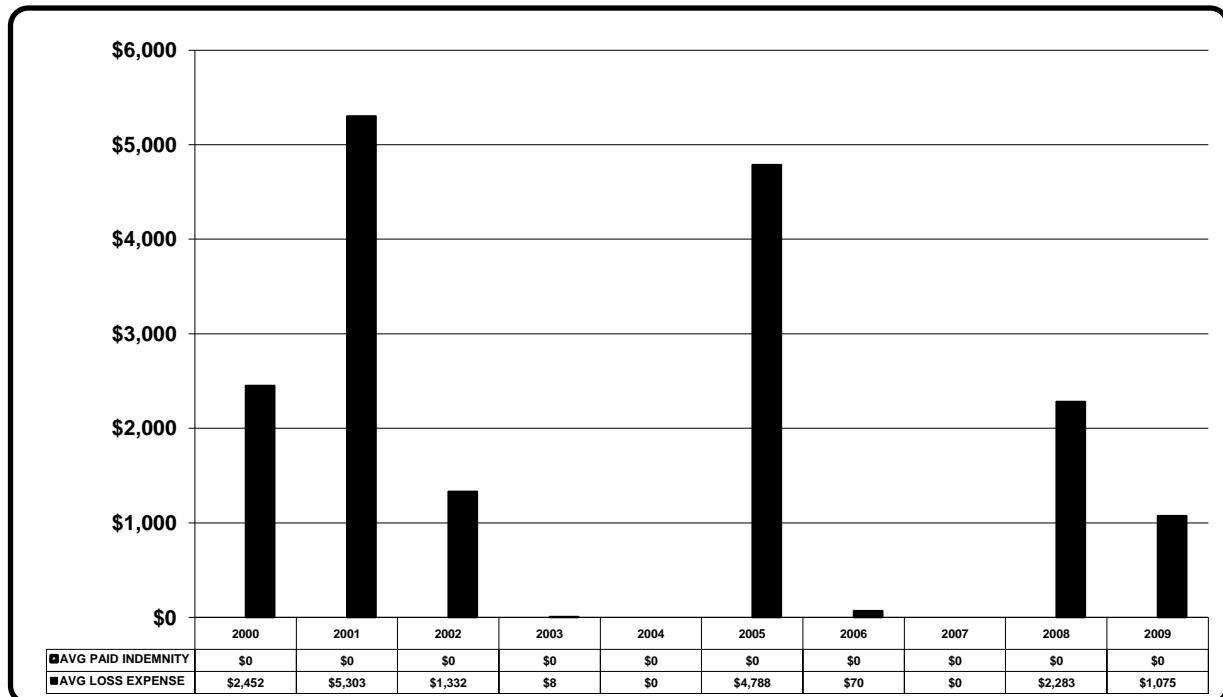


CLAIM COUNT

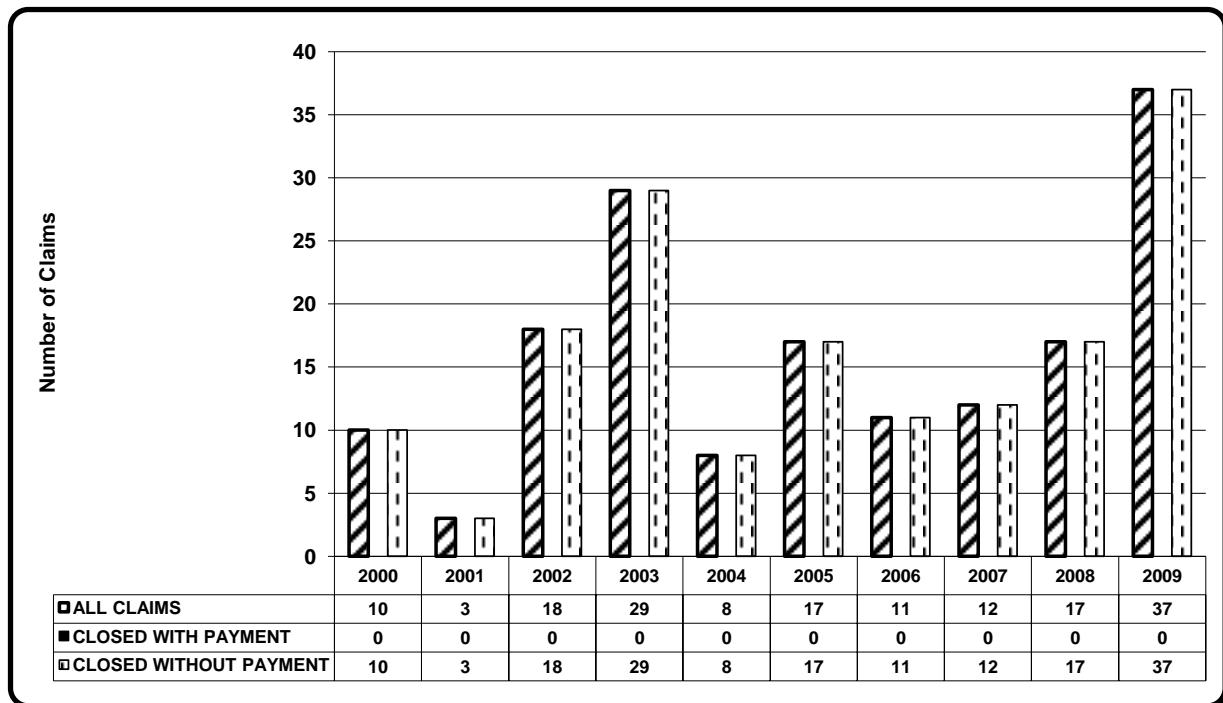


CLAIM OR SUIT ABANDONED

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

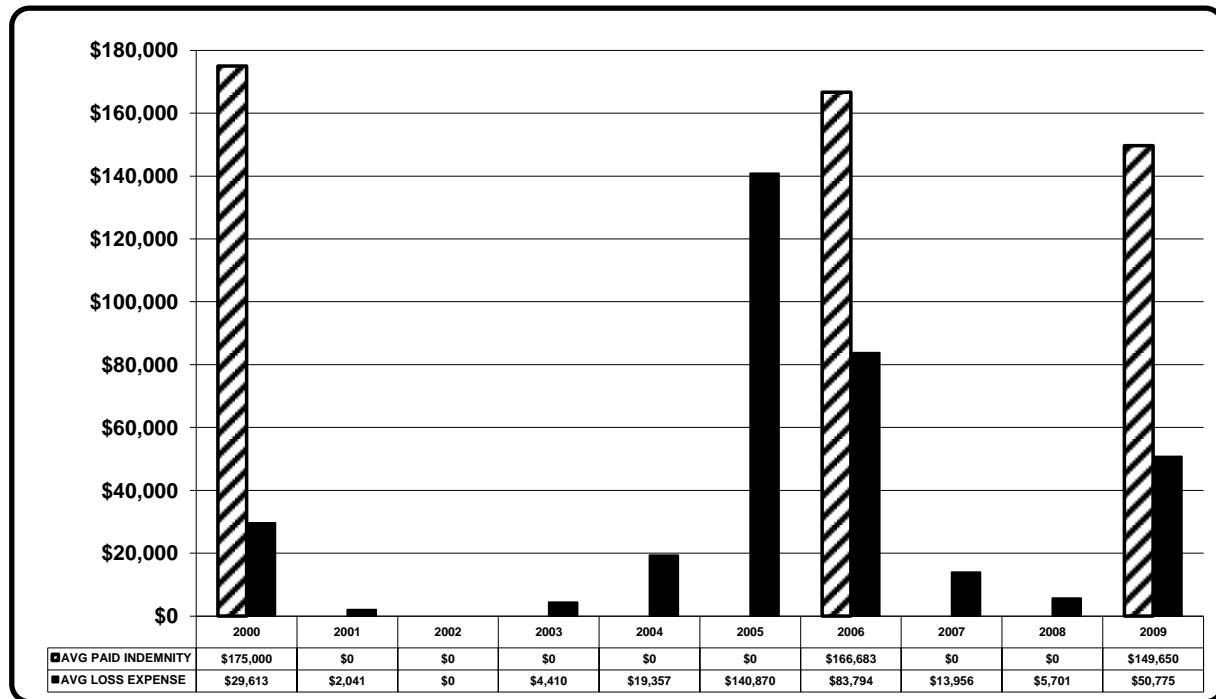


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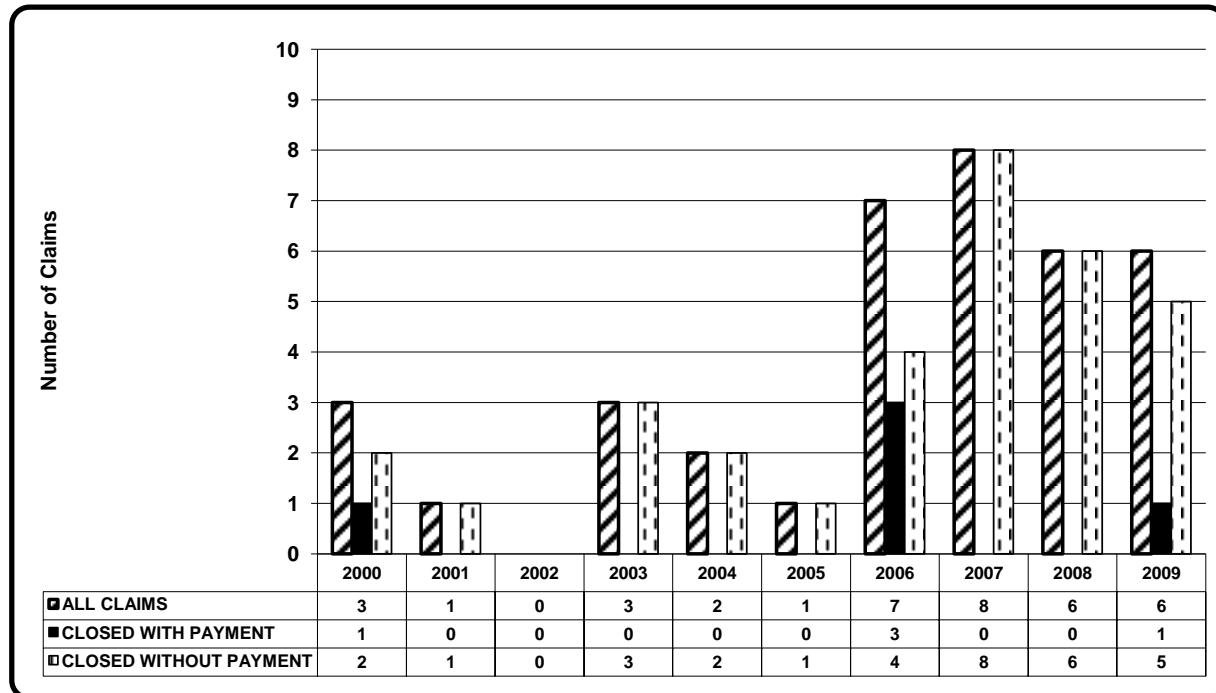


DURING TRIAL OR HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

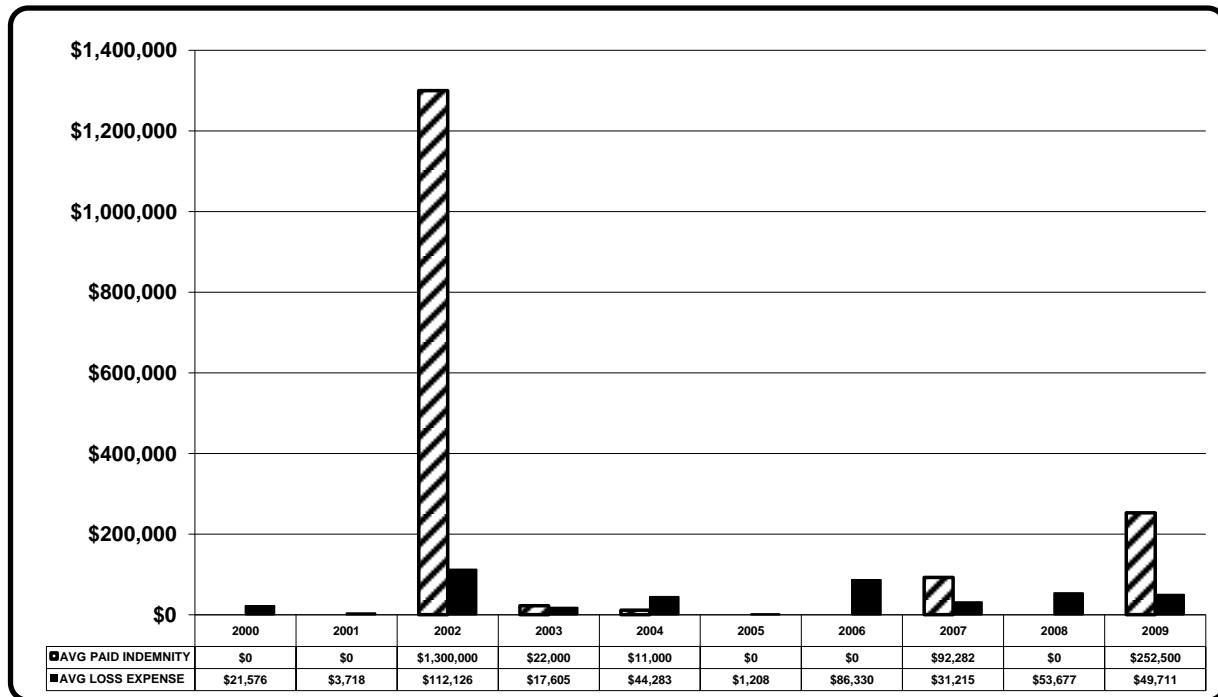


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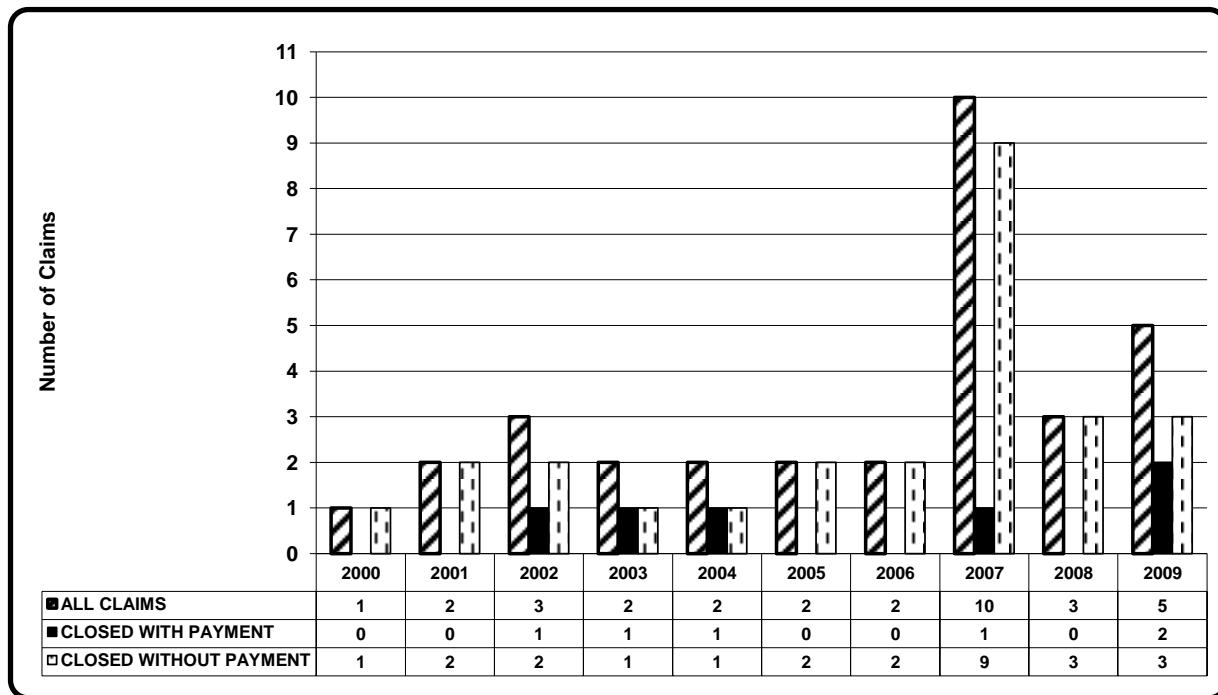


AFTER TRIAL OR HEARING, BEFORE JUDGMENT

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

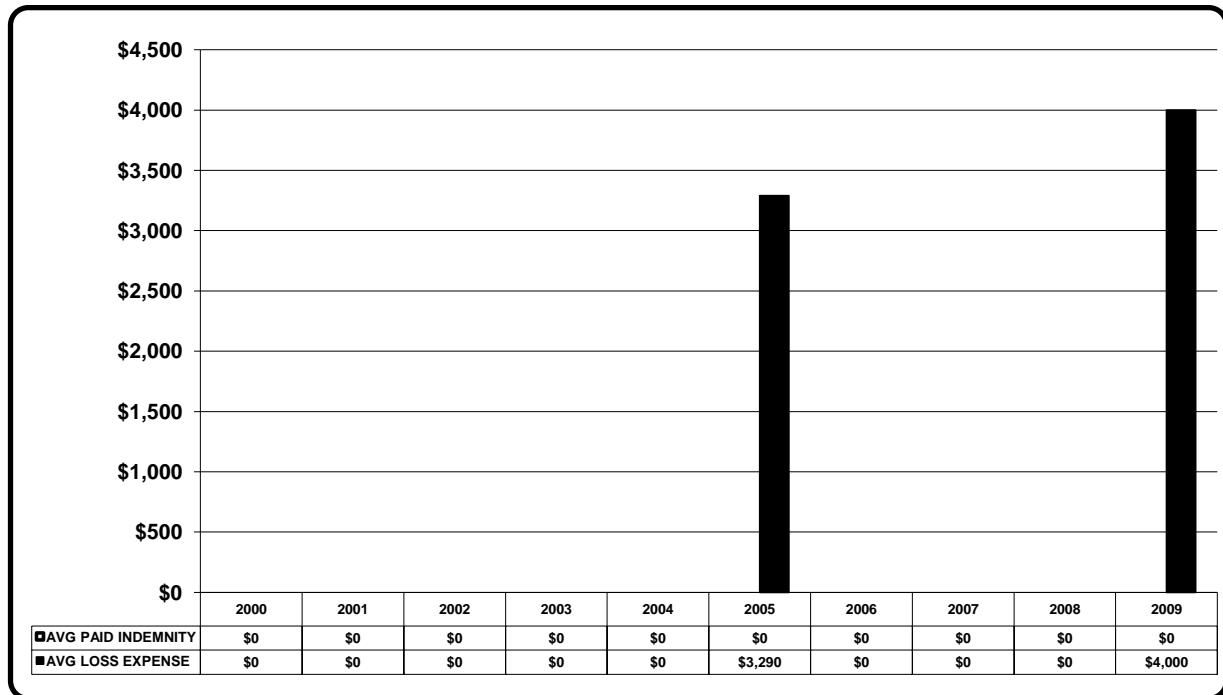


CLAIM COUNT

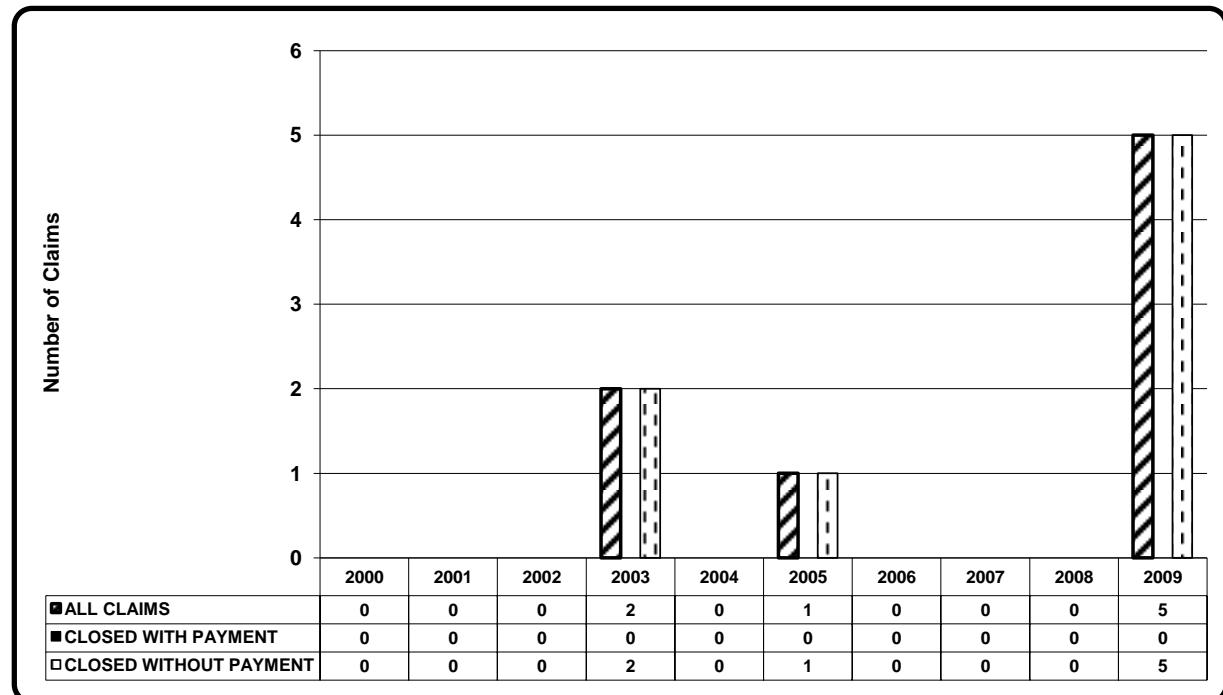


DURING REVIEW PANEL

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

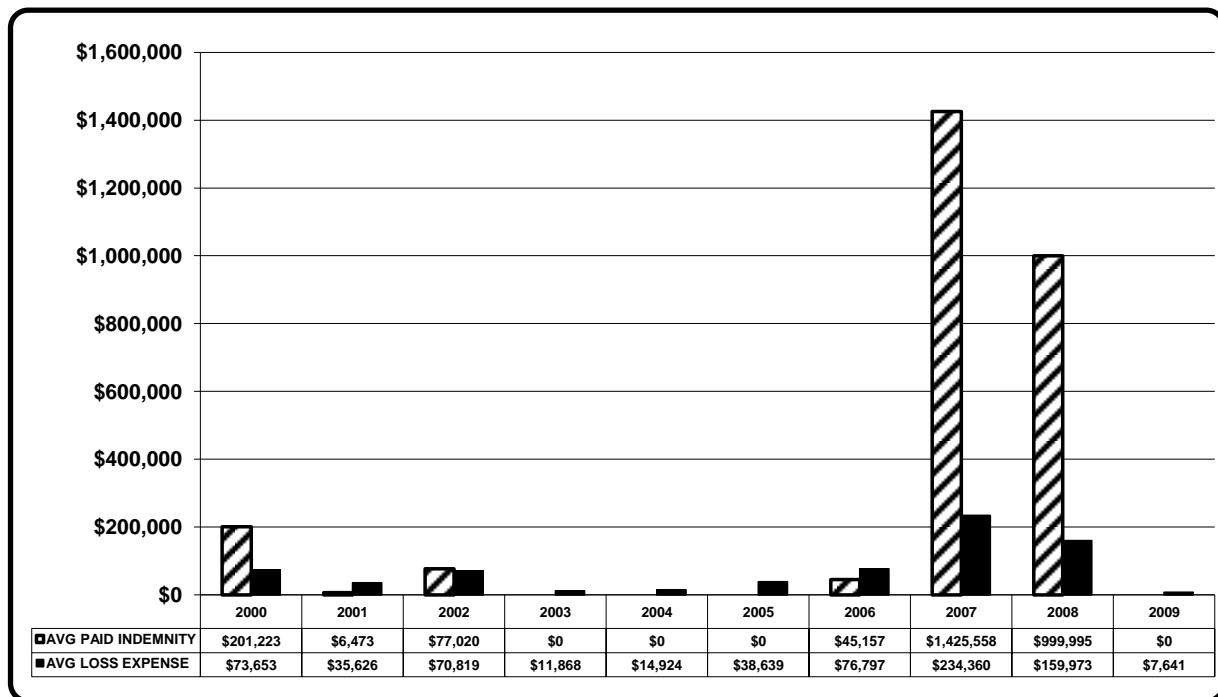


CLAIM COUNT

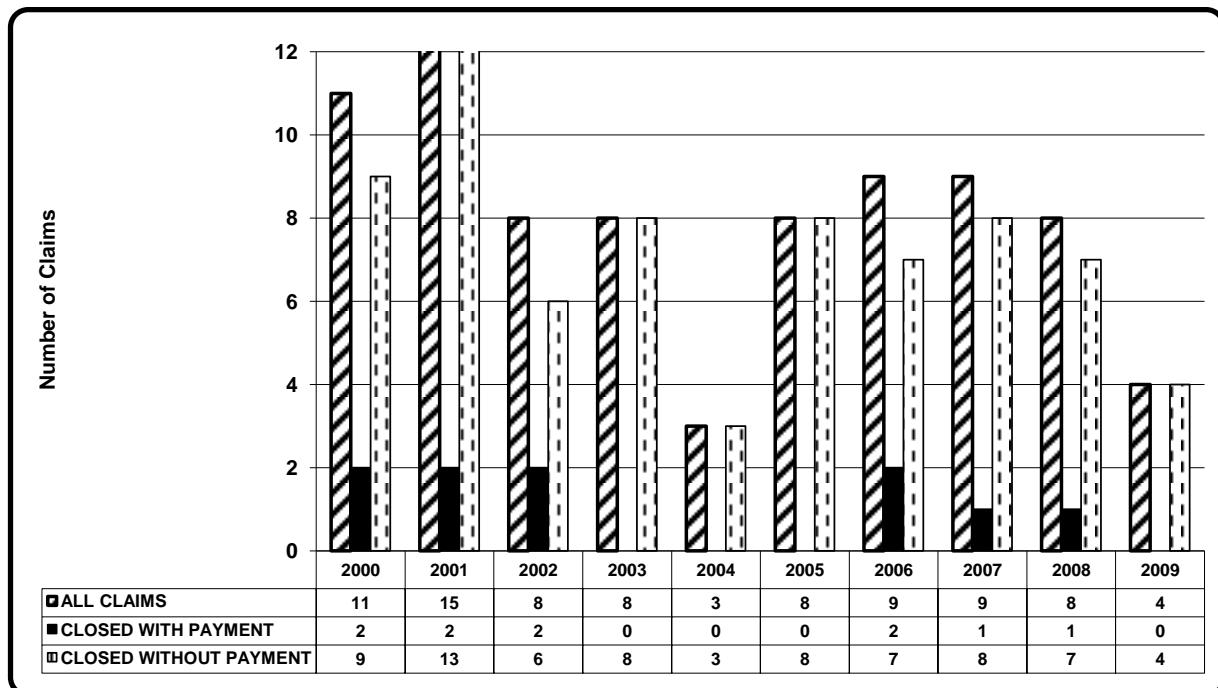


AFTER APPEAL

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

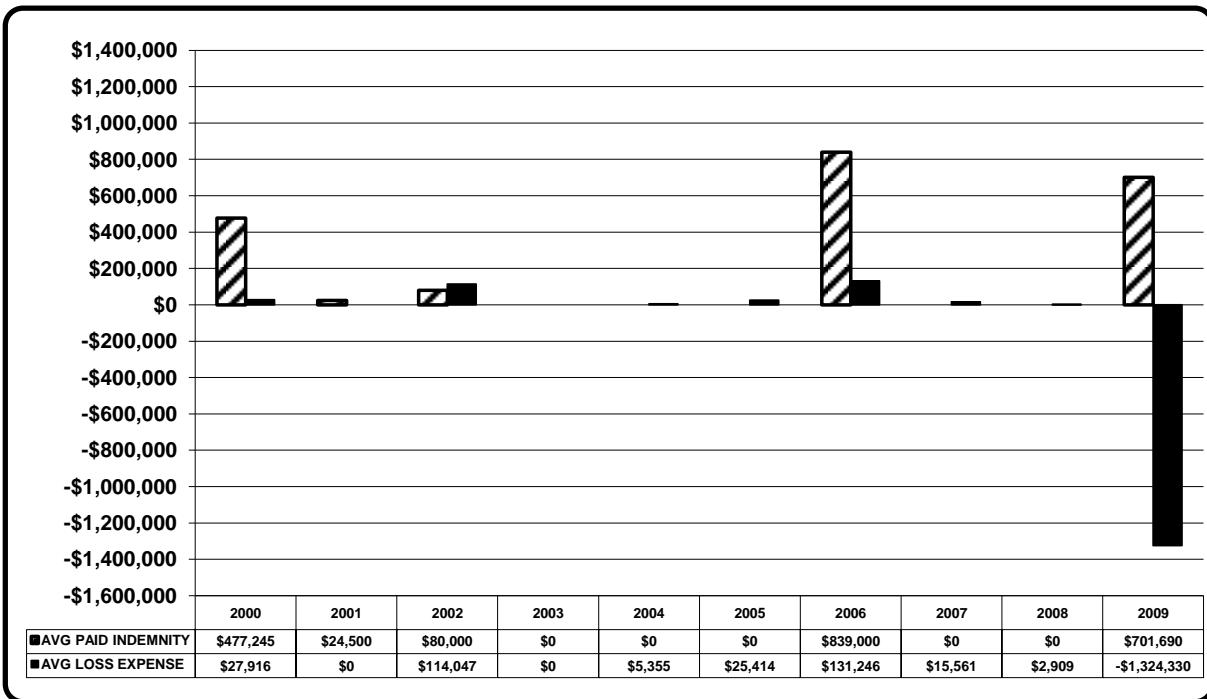


CLAIM COUNT

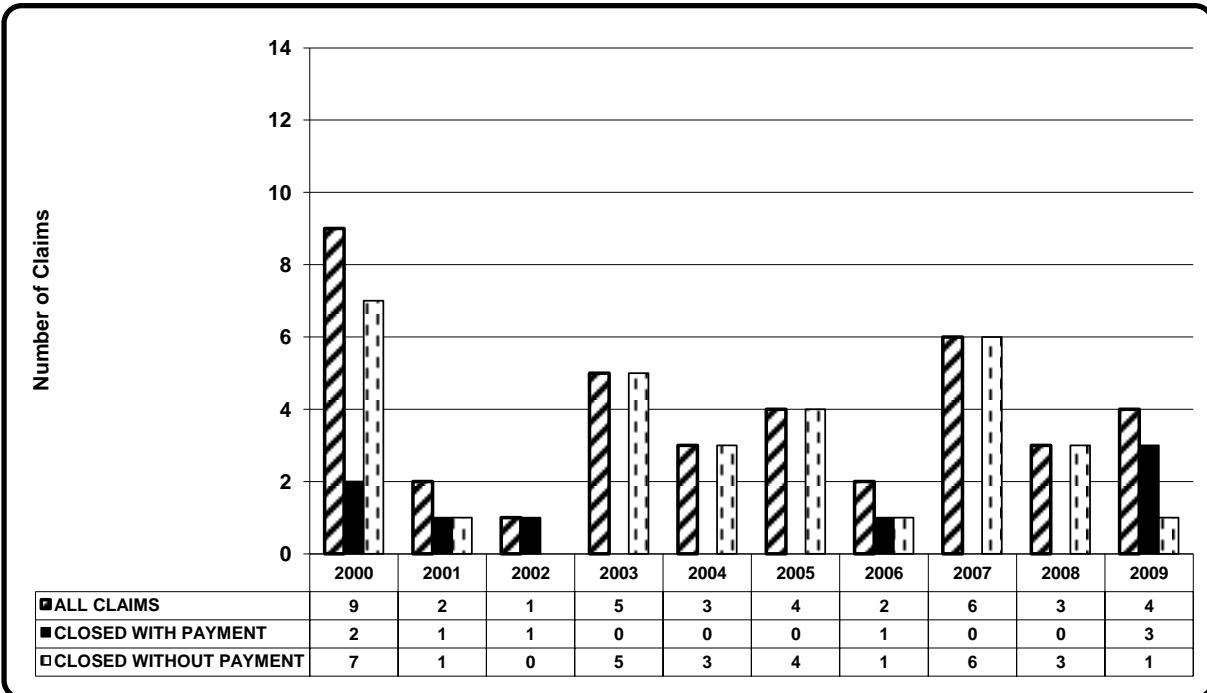


AFTER JUDGMENT, BEFORE APPEAL

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

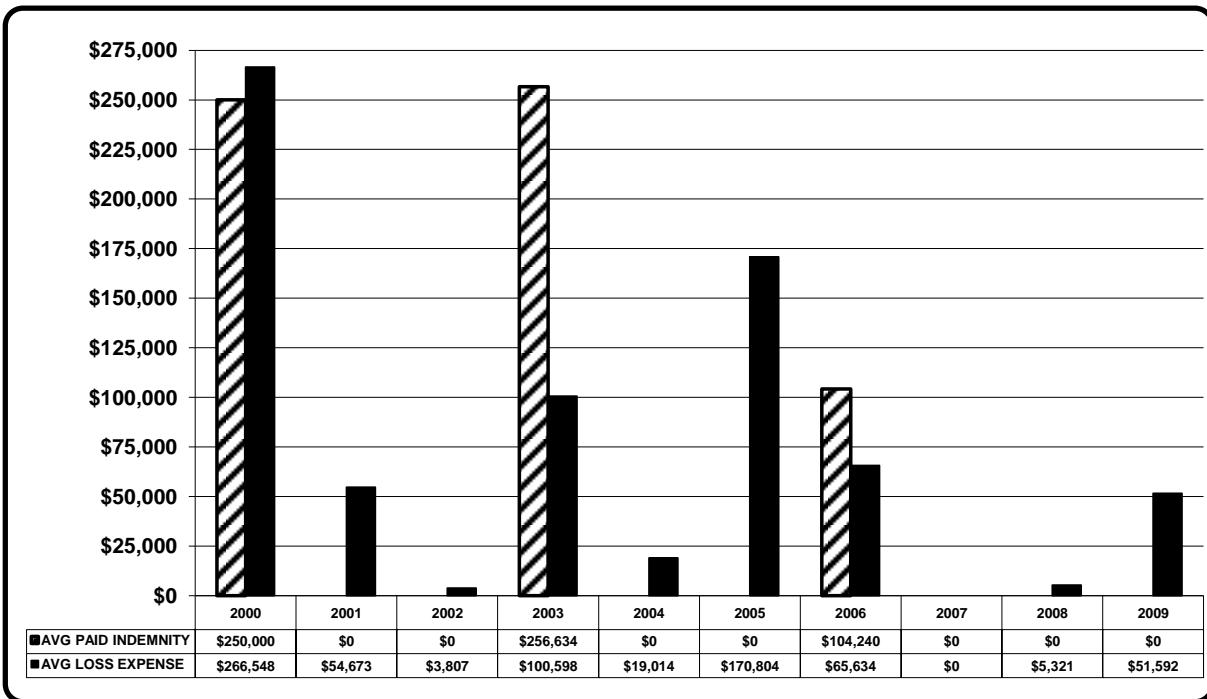


CLAIM COUNT

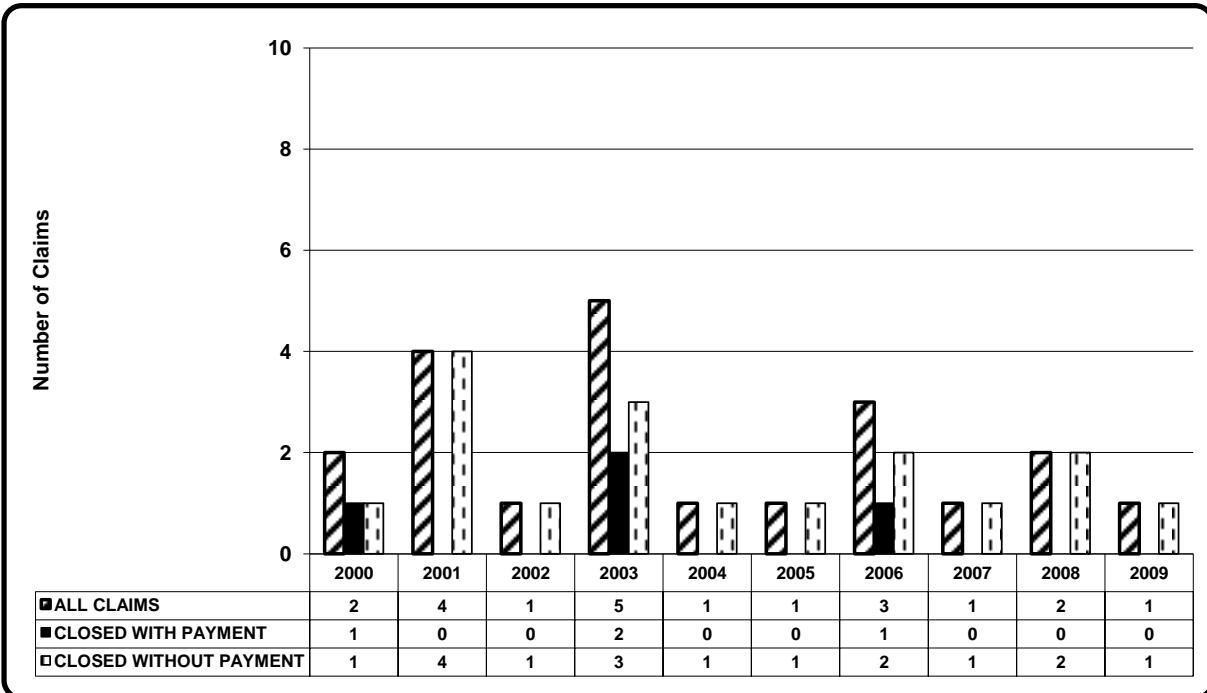


DURING APPEAL

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
2009 SUMMARY
BY
YEARS ADMITTED TO PRACTICE**

**LEGAL MALPRACTICE INSURANCE
INDEMNITY ANALYSIS
FOR YEARS 2000-2009**

YEARS ADMITTED TO PRACTICE	NUMBER OF PAID CLAIMS			PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
	ALL CLOSED CLAIMS	PAID CLAIMS	PER PAID CLAIM					
OVER 10 YEARS	2251	608	94.56%	\$86,396	\$52,528,936	\$13,913	88.14%	\$13,913
10 TO 10 YEARS	106	29	4.51%	\$235,697	\$6,835,209	\$31,238	11.47%	\$31,238
UNDER 4 YEARS	27	6	0.93%	\$39,318	\$235,910	\$7,839	0.40%	\$7,839
TOTAL	2,384	643	100.00%	\$92,691	\$59,600,055	100.00%	\$14,614	

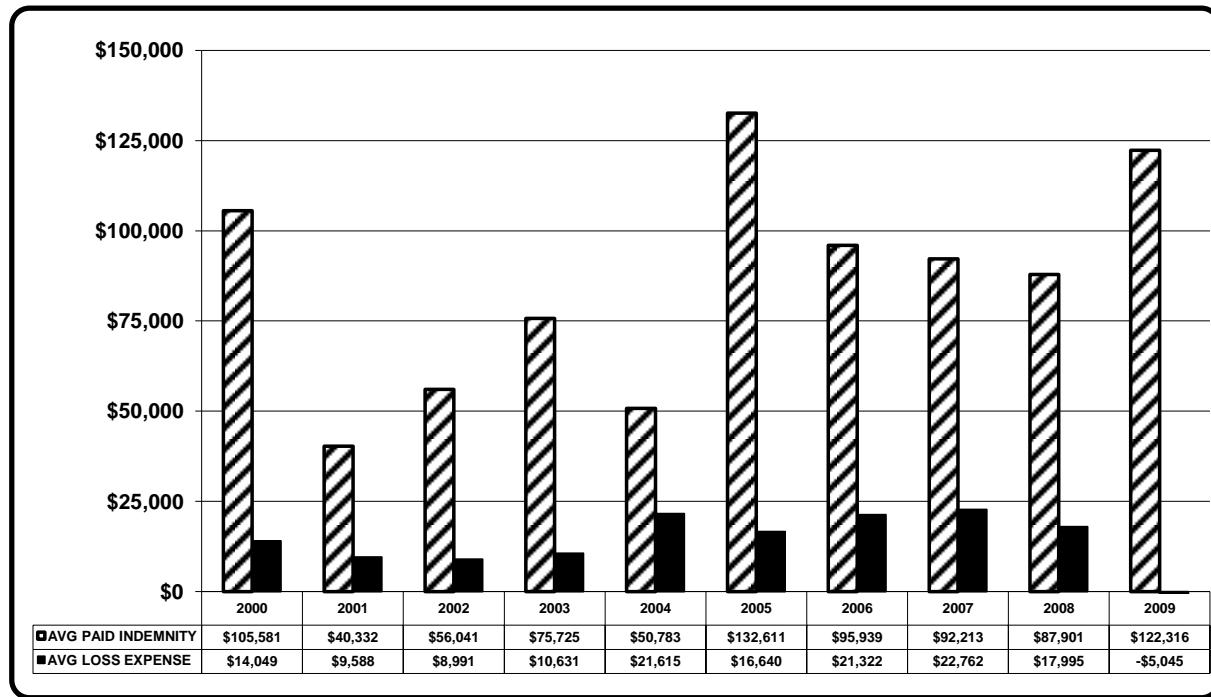
**LEGAL MALPRACTICE INSURANCE
INDEMNITY ANALYSIS
CLAIMS CLOSED IN 2009**

YEARS ADMITTED TO PRACTICE	ALL CLOSED CLAIMS			NUMBER OF PAID CLAIMS			PERCENT OF PAID CLAIMS			AVERAGE INDEMNITY PAID PER PAID CLAIM			PERCENT OF TOTAL INDEMNITY			AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS		
	235	65	5	2	97.01%	2.99%	\$122,316	\$3,463	\$7,950,542	\$6,926	99.91%	0.09%	-\$5,045	\$3,095				
OVER 10 YEARS																		
4 TO 10 YEARS																		
TOTAL	240	67			100.00%		\$118,768		\$7,957,468		100.00%		-\$4,876					

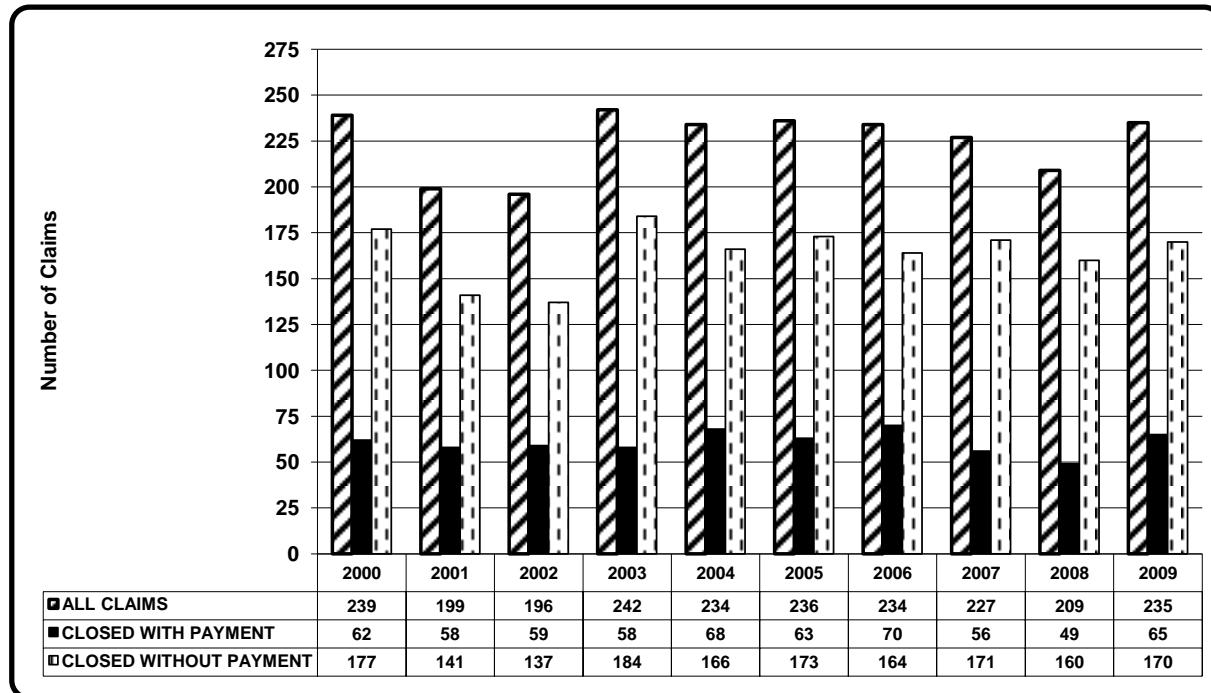
**TRENDS
OF
YEARS ADMITTED TO PRACTICE
FOR 2009**

OVER 10 YEARS

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

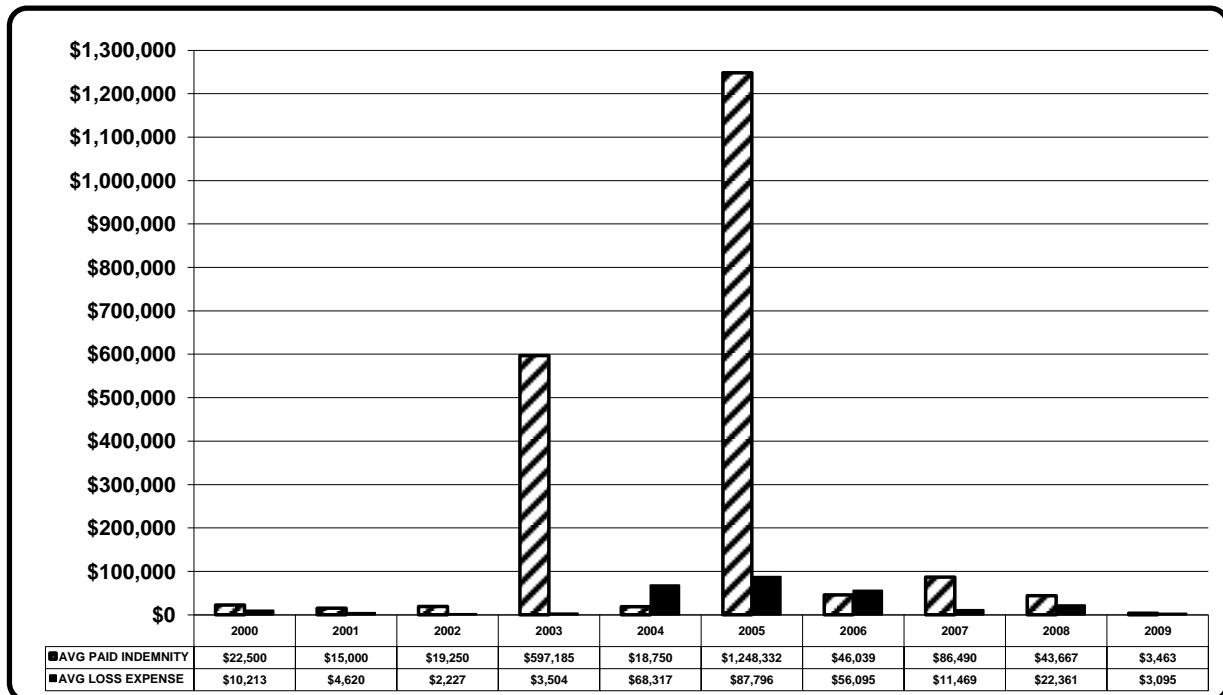


CLAIM COUNT

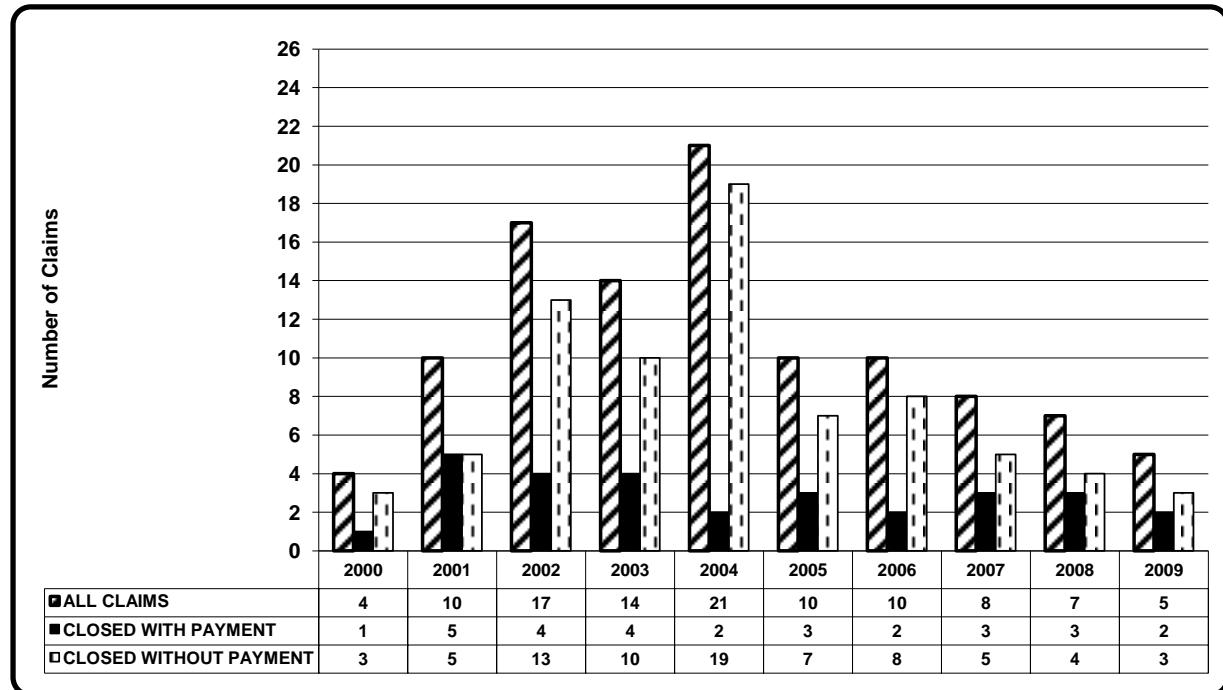


4 TO 10 YEARS

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
2009 SUMMARY
BY
INSURED/CLAIMANT RELATIONSHIP**

**LEGAL MALPRACTICE INSURANCE
INDEMNITY ANALYSIS
FOR YEARS 2000-2009**

INSURED'S RELATIONSHIP TO THE CLAIMANT	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
CLIENT OTHER THAN FREE LEGAL SERVICE OR PREPAID LEGAL PLAN	1,931	581	90.36%	\$85,683	\$49,781,911	83.53%	\$15,473
NON-CLIENT	440	58	9.02%	\$89,494	\$5,190,644	8.71%	\$10,594
FREE LEGAL SERVICE	9	2	0.31%	\$26,250	\$52,500	0.09%	\$3,013
MEMBER PRE-PAID LEGAL PLAN	4	2	0.31%	\$2,287,500	\$4,575,000	7.68%	\$68,435
TOTAL	2,384	643	100.00%	\$92,691	\$59,600,055	100.00%	\$14,614

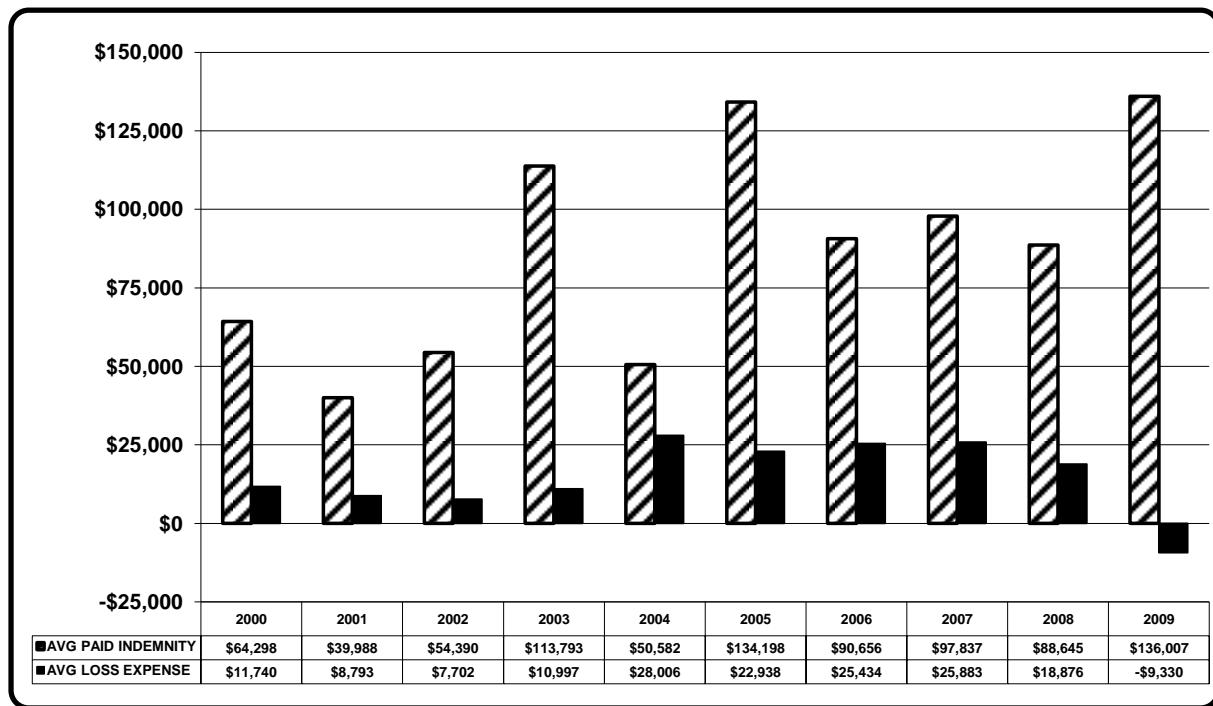
**LEGAL MALPRACTICE INSURANCE
INDEMNITY ANALYSIS
CLAIMS CLOSED IN 2009**

INSURED'S RELATIONSHIP TO THE CLAIMANT	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY FOR ALL CLOSED CLAIMS	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
CLIENT OTHER THAN FREE LEGAL SERVICE OR PREPAID LEGAL PLAN	176	56	83.58%	\$136,007	\$7,616,412	95.71%	-\$9,330
NON-CLIENT	64	11	16.42%	\$31,005	\$341,056	4.29%	\$7,374
TOTAL	240	67	100.00%	\$118,768	\$7,957,468	100.00%	-\$4,876

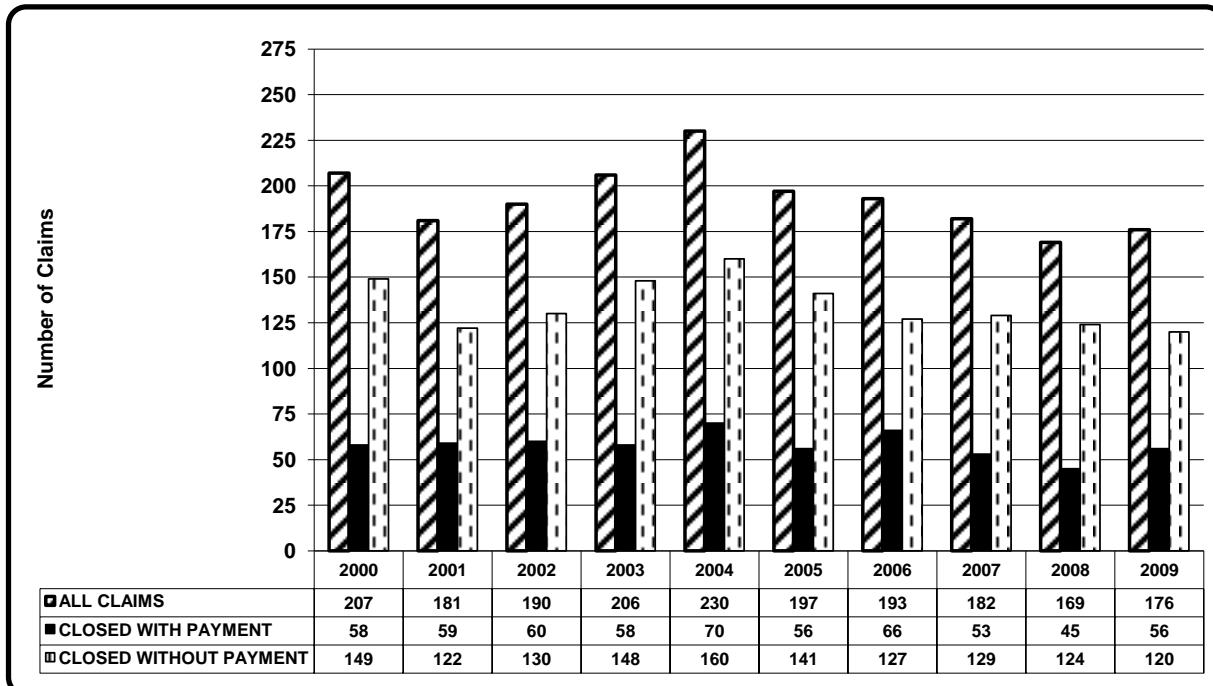
**TRENDS
OF
INSURED/CLAIMANT
RELATIONSHIP
FOR 2009**

CLIENT OTHER THAN FREE LEGAL SERVICE OR MEMBER OF PRE-PAID LEGAL PLAN

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

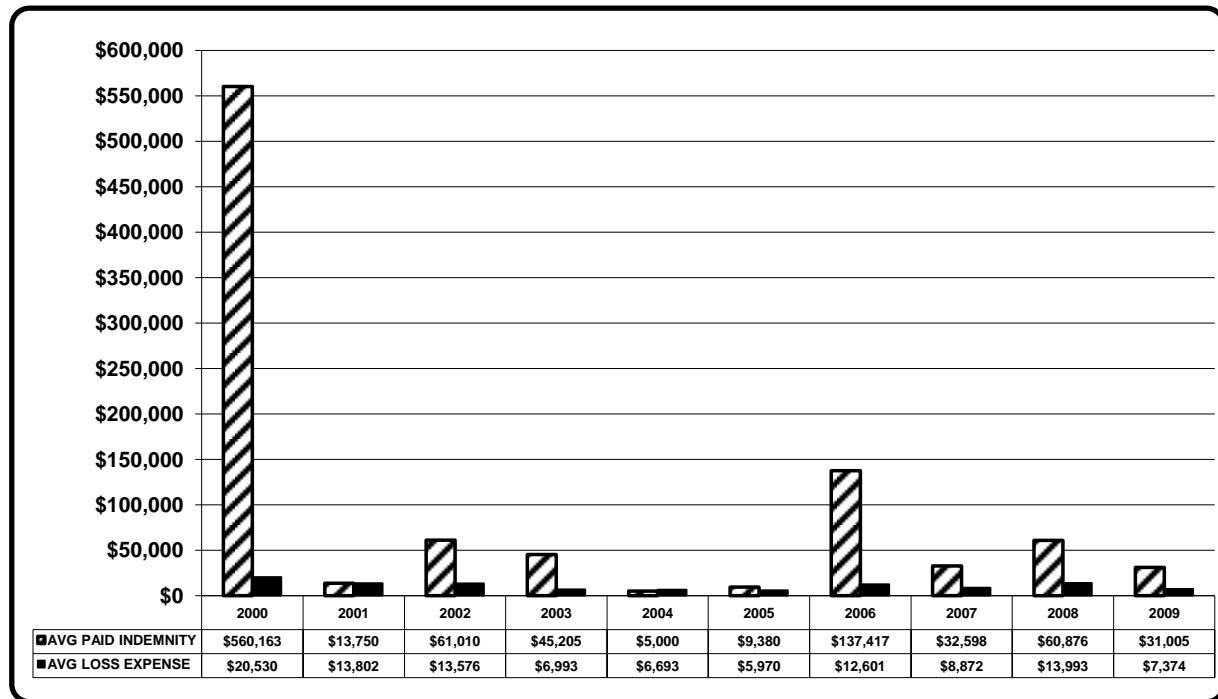


CLAIM COUNT

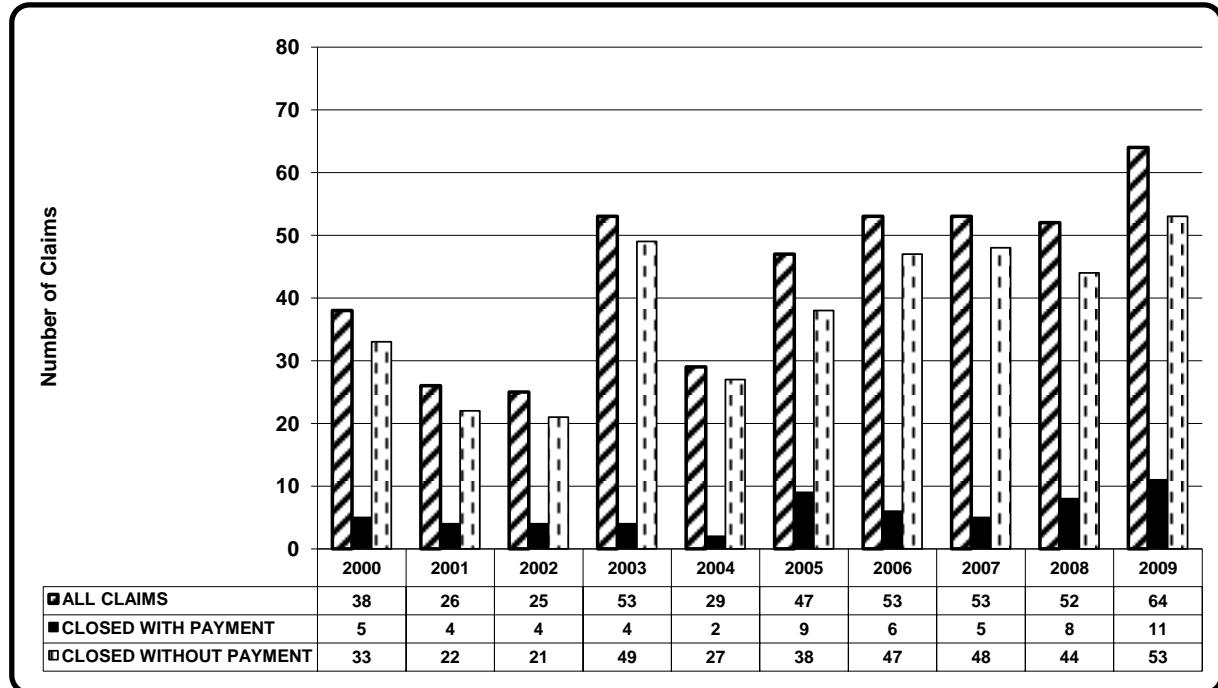


NON-CLIENT

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



PREMIUM AND LOSS DATA

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LEGAL MALPRACTICE EXPERIENCE
WITH MARKET SHARE

2009 EXPERIENCE

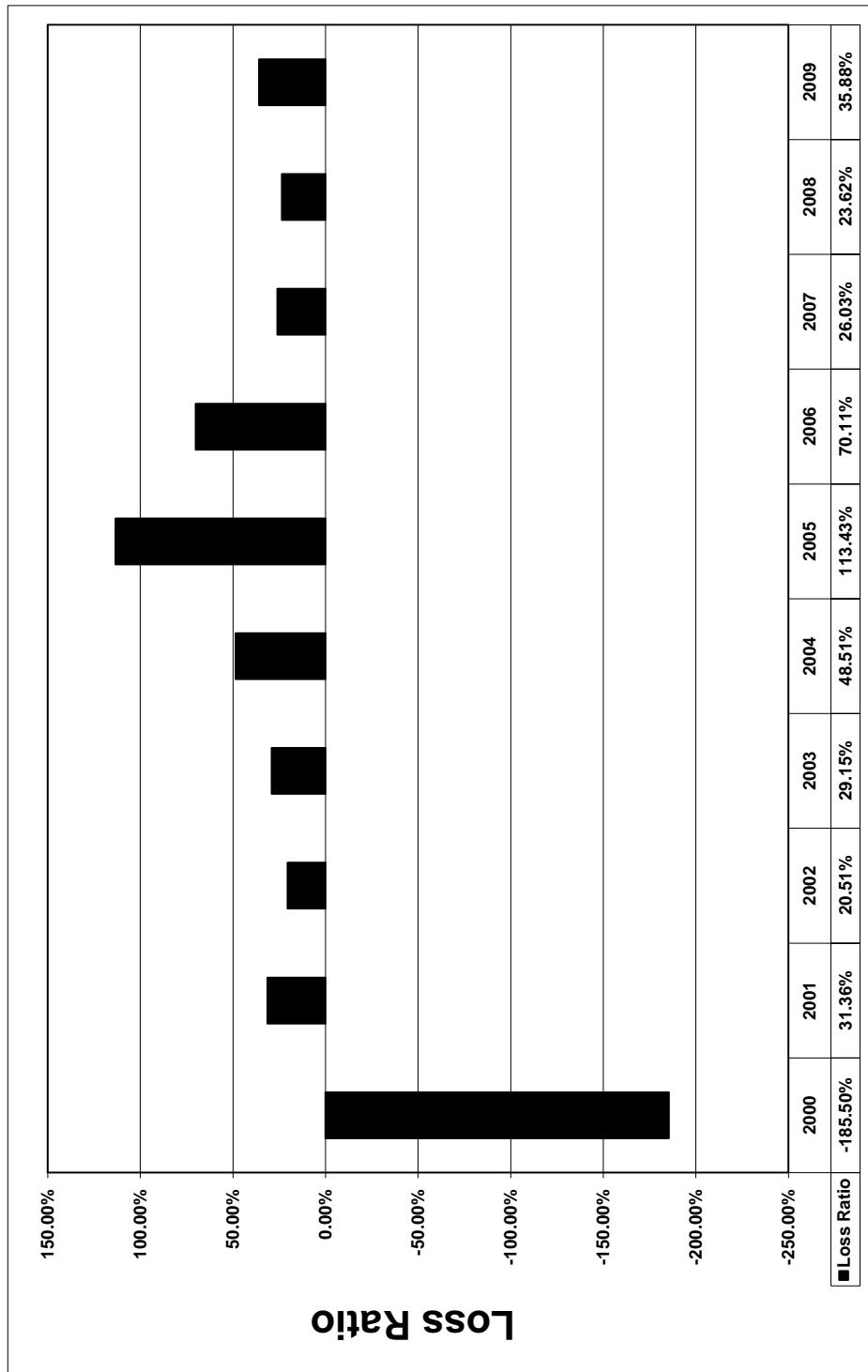
NAIC Company Code	Company Name	Market Share	Written Premium	Earned Premium	Incurred Losses	Loss Ratio
29513	BAR PLAN MUTUAL INSURANCE COMPANY THE	71.64%	\$11,309,827	\$11,857,676	\$5,547,678	46.79%
25585	PROFESSIONALS DIRECT INSURANCE COMPANY	12.85%	\$2,028,813	\$1,752,308	\$170,321	9.72%
20443	CONTINENTAL CASUALTY COMPANY	8.64%	\$1,364,166	\$1,077,528	\$506,668	47.02%
11967	GENERAL STAR NATIONAL INS CO	2.14%	\$337,995	\$302,312	\$126,338	41.79%
29459	TWIN CITY FIRE INSURANCE COMPANY	1.98%	\$312,058	\$298,912	-\$5	0.00%
39845	WESTPORT INSURANCE CORPORATION	0.98%	\$154,334	\$159,748	\$42,871	26.84%
24767	ST PAUL FIRE & MARINE INSURANCE COMPANY	0.97%	\$152,412	\$334,549	\$238,909	71.41%
22322	GREENWICH INSURANCE COMPANY	0.37%	\$58,973	\$62,325	\$11,240	18.03%
22241	MEDMARC CASUALTY INSURANCE COMPANY	0.19%	\$30,492	\$36,897	\$11,571	-31.36%
42234	MINNESOTA LAWYERS MUTUAL INS COMPANY	0.16%	\$24,571	\$52,408	-\$57,339	-109.41%
16691	GREAT AMERICAN INSURANCE COMPANY	0.07%	\$11,515	\$54,391	-\$829,332	-1524.76%
24775	ST PAUL GUARDIAN INSURANCE COMPANY	0.02%	\$2,567	\$5,753	\$30,000	521.47%
10037	INTERLEX INSURANCE COMPANY	0.00%	\$0	\$0	\$0	N/A
15865	NCMIC INSURANCE COMPANY	0.00%	\$0	\$0	-\$2,032	N/A
22136	GREAT AMERICAN INS COMPANY OF NEW YORK	0.00%	\$0	\$0	\$6,359	N/A
23817	ILLINOIS NATIONAL INSURANCE COMPANY	0.00%	\$0	\$0	-\$42,400	N/A
26344	GREAT AMERICAN ASSURANCE COMPANY	0.00%	\$0	\$0	\$419	N/A
33723	GREAT AMERICAN SPIRIT INSURANCE COMPANY	0.00%	\$0	\$0	\$75	N/A
	TOTAL	100.00%	\$15,787,723	\$15,994,807	\$5,738,199	35.88%

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LEGAL PRACTICE EXPERIENCE

TEN YEAR SUMMARY

YEAR	Written Premium	Earned Premium	Incurred Losses	Loss Ratio
2000	\$11,026,795	\$9,915,755	-\$18,393,921	-185.50%
2001	\$13,576,133	\$14,770,445	\$4,631,875	31.36%
2002	\$12,818,643	\$11,830,869	\$2,426,999	20.51%
2003	\$13,057,678	\$11,671,741	\$3,402,619	29.15%
2004	\$14,539,856	\$13,343,100	\$6,472,267	48.51%
2005	\$14,794,606	\$14,145,032	\$16,044,522	113.43%
2006	\$17,435,456	\$16,719,059	\$11,720,958	70.11%
2007	\$17,727,731	\$17,152,684	\$4,464,212	26.03%
2008	\$16,324,591	\$16,766,853	\$3,959,872	23.62%
2009	\$15,787,723	\$15,994,807	\$5,738,199	35.88%
10-YEAR TOTAL	\$147,089,212	\$142,310,345	\$40,467,602	28.44%

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LEGAL MALPRACTICE EXPERIENCE
TEN YEAR LOSS RATIO SUMMARY



Insurance Consumer Hotline

Contact DIFP's Insurance Consumer Hotline
if you have questions about your insurance policy
or to file a complaint against an
insurance company or agent:

difp.mo.gov
800-726-7390



DIFP

Department of Insurance,
Financial Institutions &
Professional Registration

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JULY 2010